



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2012



**COUNTY OF GREENSVILLE, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2012**



# COUNTY OF GREENSVILLE, VIRGINIA

Financial Report  
Year Ended June 30, 2012

## TABLE OF CONTENTS

---

	<u>PAGE</u>
<b><u>FINANCIAL SECTION:</u></b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1 Statement of Net Assets	9-10
Exhibit 2 Statement of Activities	11-12
<b>Fund Financial Statements:</b>	
Exhibit 3 Balance Sheet—Governmental Funds	13
Exhibit 4 Reconciliation to the Balance Sheet of Governmental Funds to the Statement of Net Assets	14
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	15
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Exhibit 7 Statement of Net Assets—Proprietary Funds	17
Exhibit 8 Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds	18
Exhibit 9 Statement of Cash Flows—Proprietary Funds	19
Notes to Financial Statements	20-60
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	61
Exhibit 11 Schedule of Pension Funding Progress—Virginia Retirement System	62
Exhibit 12 Schedule of OPEB Funding Progress—Other Post-Employment Benefits—Health Insurance Credit	63
<b><u>OTHER SUPPLEMENTARY INFORMATION:</u></b>	
Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Capital Projects Fund	64

# COUNTY OF GREENSVILLE, VIRGINIA

Financial Report  
Year Ended June 30, 2012

## TABLE OF CONTENTS (CONTINUED)

---

	<u>PAGE</u>
 <b><u>OTHER SUPPLEMENTARY INFORMATION: (CONTINUED)</u></b>	
<b>Supporting Schedules:</b>	
Schedule 1     Schedule of Revenues–Budget and Actual–Governmental Funds	65-68
Schedule 2     Schedule of Expenditures–Budget and Actual–Governmental Funds	69-72
 <b>Statistical Information:</b>	
Table 1         Government-wide Expenses by Function–Last Ten Fiscal Years	73
Table 2         Government-wide Revenues–Last Ten Fiscal Years	74
Table 3         General Governmental Expenditures by Function–Last Ten Fiscal Years	75
Table 4         General Government Revenues by Source–Last Ten Fiscal Years	76
Table 5         Property Tax Levies and Collections–Last Ten Fiscal Years	77
Table 6         Assessed Value of Taxable Property–Last Ten Fiscal Years	78
Table 7         Property Tax Rates–Last Ten Fiscal Years	79
Table 8         Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita–Last Ten Fiscal Years	80
 <b>Compliance</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81-82
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	83-84
Schedule of Expenditures of Federal Awards	85-86
Notes to Schedule of Expenditures of Federal Awards	87
Schedule of Findings and Questioned Costs	88
Schedule of Prior Year Audit Findings and Recommendations	89

## COUNTY OF GREENSVILLE, VIRGINIA

---

### BOARD OF SUPERVISORS

---

Peggy R. Wiley, Chairman

Michael W. Ferguson, Vice-Chairman

Margaret T. Lee, Ed. D.

James C. Vaughan

### COUNTY SCHOOL BOARD

---

Marguerite K. Burton, Chairman

Tony M. Conwell, Vice-Chairman

Rhonda Jones-Gilliam  
Janey V. Bush

Bessie Reed-Moore  
Walter D. Rook, Jr.

### OTHER OFFICIALS

---

Judge of the Circuit Court  
Clerk of the Circuit Court  
Judge of the General District Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Public Welfare  
County Administrator

Allan Sharrett  
Robert C. Wrenn  
Carson Saunders  
Patricia T. Watson  
Martha S. Swenson  
Pamela Lifsey  
J.R. Edwards, Jr.  
Dr. Phillip L. Worrell  
Angela Beachy  
K. David Whittington





# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

**The Honorable Members of The Board of Supervisors  
County of Greenville, Virginia  
Emporia, Virginia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greenville, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Greenville, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greenville, Virginia, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2013, on our consideration of the County of Greenville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and schedules of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and schedules of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greenville, Virginia's basic financial statements. The introductory section, other supplementary information and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Greenville, Virginia. The other supplementary information, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

  
Charlottesville, Virginia  
January 15, 2013

## Management's Discussion and Analysis

---

### To the Citizens of Greensville County County of Greensville, Virginia

As management of the County of Greensville, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012.

### Financial Highlights

#### Government-wide Financial Statements

The assets of the County (Governmental and Business-type activities) exceeded its liabilities at the close of the most recent fiscal year by \$31,570,687 (net assets) compared to \$30,839,441 in the prior year, an increase of \$731,246.

Our combined (governmental and business-type activities) long-term obligations decreased by a net of \$1,849,578 during the current fiscal year. This increase is due to the issuance of bonds for construction projects and additional landfill closure and post-closure costs incurred.

#### Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures in excess of revenues and other financing sources by \$879,706 (Exhibit 5) after making contributions totaling \$1,285,943 (net of adjustment) to the School Board. In the prior year, fund balance increased by \$1,208,903.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$2,006,555, a decrease of \$879,706 in comparison with the prior year. The major decrease of fund balance can be attributed to the continued work and related project expenditures for the Southside Virginia Workforce Center and Commonwealth Attorney offices capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,495,440, or 10% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

## Overview of the Financial Statements (Continued)

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Greenville, Virginia itself (known as the primary government), but also a legally separate school district, an Industrial Development Authority, and a Joint Department of Social Services for which the County of Greenville, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Greenville, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided on Exhibit 4. The County has two major governmental funds - the General Fund and the Capital Projects Fund.

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business. The Solid Waste fund provides waste services to County residents. The Water and Sewer Authority provides water services to area residents. Refer to the separately issued financial statements of the Water and Sewer Authority for further analysis and note disclosures.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Overview of the Financial Statements (Continued)

Other information - In addition to the basic financial statement and accompanying notes, this report also presents in summary from the discretely presented component units: School Board, Department of Social Services, and the Industrial Development Authority. All three component units issue separate reports and therefore are presented in summary form in the Government-wide financial statements.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, (government and business-type) total assets exceeded total liabilities by \$31,570,687 at the close of the fiscal year ended June 30, 2012.

<b>County of Greenville, Virginia's Net Assets</b>				
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 11,431,433	\$ 10,691,780	\$ 7,923,564	\$ 7,655,428
Capital assets	37,133,326	37,058,253	30,801,288	31,207,248
Total assets	<u>\$ 48,564,759</u>	<u>\$ 47,750,033</u>	<u>\$ 38,724,852</u>	<u>\$ 38,862,676</u>
Long-term liabilities outstanding	\$ 33,156,074	\$ 34,415,768	\$ 12,432,772	\$ 13,022,656
Current liabilities	9,554,377	8,070,739	575,701	264,105
Total liabilities	<u>\$ 42,710,451</u>	<u>\$ 42,486,507</u>	<u>\$ 13,008,473</u>	<u>\$ 13,286,761</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 4,837,640	\$ 5,190,639	\$ 22,631,548	\$ 22,482,305
Restricted for:				
Debt Service	848,770	859,669	-	-
Unrestricted	<u>167,898</u>	<u>(786,782)</u>	<u>3,084,831</u>	<u>3,093,610</u>
Total net assets	<u>\$ 5,854,308</u>	<u>\$ 5,263,526</u>	<u>\$ 25,716,379</u>	<u>\$ 25,575,915</u>

At the end of the current fiscal year, the County's investment in capital assets, net of related debt, is \$4,837,640. This increase can be attributed to the repayment of principal on outstanding bonds and notes and additional capital outlays and building projects. The unrestricted net assets of governmental activities at June 30, 2012 are \$167,898.

## Government-wide Financial Analysis (Continued)

The total net assets of the County increased \$731,246. Key elements of this decrease are as follows:

### County of Greenville, Virginia's Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,872,491	\$ 1,589,597	\$ 4,456,137	\$ 4,163,406
Operating grants and contributions	2,184,346	1,585,577	-	-
Capital grants and contributions	620,578	408,865	31,302	496,353
General revenues:				
Property taxes	6,362,075	5,933,804	-	-
Other local taxes	1,678,114	1,486,613	-	-
Other revenue	543,343	321,416	75,998	41,449
Grants and other contributions unrestricted	1,338,942	2,063,837	30,381	92,530
Total revenues	<u>\$ 14,599,889</u>	<u>\$ 13,389,709</u>	<u>\$ 4,593,818</u>	<u>\$ 4,793,738</u>
Expenses:				
General government	\$ 1,674,569	\$ 2,056,841	\$ -	\$ -
Judicial administration	1,044,243	885,693	-	-
Public safety	3,879,456	3,323,733	-	-
Public works	1,317,690	1,441,333	4,453,354	5,791,532
Health and welfare	382,157	370,846	-	-
Education	2,950,559	3,527,147	-	-
Parks, recreation and culture	304,729	246,825	-	-
Community development	1,244,873	1,684,446	-	-
Interest	1,210,831	1,173,277	-	-
Total expenses	<u>\$ 14,009,107</u>	<u>\$ 14,710,141</u>	<u>\$ 4,453,354</u>	<u>\$ 5,791,532</u>
Increase (decrease) in net assets	\$ 590,782	\$ (1,320,432)	\$ 140,464	\$ (997,794)
Net assets - beginning	5,263,526	6,583,958	25,575,915	26,573,709
Net assets - ending	<u>\$ 5,854,308</u>	<u>\$ 5,263,526</u>	<u>\$ 25,716,379</u>	<u>\$ 25,575,915</u>

For the most part, increases in governmental activities revenues and expenditures closely paralleled inflation and growth in the demand for services causing a net asset increase of \$590,782 in governmental activities only. The net assets of business-type activities increased \$140,464 due to a decrease in landfill closure and post-closure liabilities.

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County's business-type activities experienced natural growth in expenses due to inflation and a decrease in revenues due to water-saving measures taken by a major customer.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

## Government-wide Financial Analysis (Continued)

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$2,006,555, a decrease of \$879,706 in comparison with the prior year. Approximately 29% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted and committed to indicate that is not available for new spending because it has already been committed for debt service, capital projects, and education. The decrease in fund balance can be attributed to continued use and related debt proceeds of funds for capital projects.

### Proprietary funds

The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$1,888,067 and can be briefly summarized as follows:

- \$1,005,042 in increases in Public Safety
- \$531,830 in increases in Community Development
- \$351,195 in other budget increases and decreases

### **Capital Asset and Debt Administration**

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2012 amounted to \$37,133,326 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The following is a comparison to the prior year of net capital assets as of June 30, 2012:

<b>County of Greenville, Virginia's Capital Assets</b>				
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land	\$ 1,382,423	\$ 1,295,528	\$ 441,589	\$ 441,589
Land and landfill improvements	-	-	1,076,107	1,076,107
Infrastructure	-	-	38,133,833	38,032,368
Land improvements	1,416,126	1,416,126	-	-
Buildings and other improvements	20,641,508	20,641,508	2,803,808	2,803,808
Equipment	2,369,111	2,256,815	2,244,634	2,213,061
Tenancy in common (buildings)	18,175,479	18,436,629	-	-
Construction in progress	2,419,206	1,024,282	545,625	79,812
Total	\$ 46,403,853	\$ 45,070,888	\$ 45,245,596	\$ 44,646,745
Less accumulated depreciation	<u>(9,270,527)</u>	<u>(8,012,635)</u>	<u>(14,444,308)</u>	<u>(13,439,497)</u>
Net capital assets	<u>\$ 37,133,326</u>	<u>\$ 37,058,253</u>	<u>\$ 30,801,288</u>	<u>\$ 31,207,248</u>

Additional information on the County's capital assets can be found in the notes of this report.

## **Capital Asset and Debt Administration: (Continued)**

**Long-term debt** - At the end of the current fiscal year, the County had total governmental activities debt outstanding of \$33,156,074. Of this amount \$11,922,479 comprises debt backed by the full faith and credit of the County, (bonded debt). The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The following table depicts a comparison of outstanding debt to prior year.

### **County of Greenville, Virginia's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Literary loans	\$ 6,475,000	\$ 6,950,000	\$ -	\$ -
VPSA bonds	5,447,479	6,245,947	-	-
Revenue bonds	15,534,874	16,095,613	8,006,587	8,532,730
Loans payable	5,244,902	4,614,061	163,152	173,925
Landfill closure/post-closure	-	-	4,035,682	4,076,182
Bond Premiums	59,388	61,436	-	-
Compensated absences	255,060	250,279	218,751	211,543
Other Postemployment Benefits	64,700	50,200	8,600	9,989
Capital leases	74,671	148,232	-	18,287
Total	\$ <u>33,156,074</u>	\$ <u>34,415,768</u>	\$ <u>12,432,772</u>	\$ <u>13,022,656</u>

Legislation enacted requires that debt historically reported by the School Board has been assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total debt decreased by a net of \$1,849,578 during the current fiscal year. Governmental activities debt decreased \$1,259,500 due to bond repayments while business-type activities debt decreased \$589,884 due to bond repayments.

Additional information on the County of Greenville, Virginia's long-term debt can be found in Note 6 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the County at June 30, 2012 was 8.8 percent, which is an increase from a rate of 7.5 percent a year ago. This compares unfavorably to the state's average unemployment rate of 5.7 percent and unfavorably to the national average rate of 8.2 percent.

Inflationary trends in the region compare favorably to national indices.

The fiscal year 2013 General Fund budget increased from \$14,342,093 to \$14,490,358 or \$148,265 (1%). Fiscal year 2013 tax rates are as follows: \$0.51/\$100 Real Estate; \$5.00/\$100 Personal Property; \$4.00/\$100 Machinery and Tools; \$0.50/\$100 Aircraft.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Greenville, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 1781 Greenville County Circle, Emporia, Virginia, 23847.



## **BASIC FINANCIAL STATEMENTS**

This page intentionally left blank

## **Government-wide Financial Statements**

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Net Assets

June 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 6,033,551	\$ 6,033,551
Receivables (net of allowance for uncollectibles):			
Taxes receivable	8,302,494	-	8,302,494
Accounts receivable	196,178	644,707	840,885
Notes receivable	-	-	-
Loan receivable	-	56,349	56,349
Prepaid expenses	21,000	-	21,000
Due from primary government	-	-	-
Due from component units	1,453,407	-	1,453,407
Long-term advance to Greenville County School Board	280,000	-	280,000
Due from other governmental units	295,395	-	295,395
Due from trustee	30,000	-	30,000
Due from City of Emporia, Virginia	-	-	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	852,959	-	852,959
Other assets:			
Other assets	-	158,761	158,761
Loan receivable	-	1,030,196	1,030,196
Investment in industrial land	-	-	-
Capital assets (net of accumulated depreciation):			
Land	1,382,423	441,589	1,824,012
Infrastructure	-	27,039,159	27,039,159
Buildings and other improvements	33,114,945	2,096,336	35,211,281
Equipment	216,752	678,579	895,331
Construction in progress	2,419,206	545,625	2,964,831
Total assets	\$ 48,564,759	\$ 38,724,852	\$ 87,289,611
<b>LIABILITIES</b>			
Reconciled overdraft payable	\$ 106,184	\$ -	\$ 106,184
Accounts payable	83,266	505,572	588,838
Construction contracts payable	410,477	-	410,477
Retainage payable	68,607	-	68,607
Accrued liabilities	-	-	-
Accrued interest payable	422,447	70,129	492,576
Due to primary government	-	-	-
Long-term advance from primary government	-	-	-
Due to City of Emporia	-	-	-
Due to Component Unit	86,895	-	86,895
Long-term advance from Emporia	-	-	-
Unearned revenue	8,376,501	-	8,376,501
Debt service reserve - Greenville	-	-	-
Long-term liabilities:			
Due within one year	2,088,153	583,683	2,671,836
Due in more than one year	31,067,921	11,849,089	42,917,010
Total liabilities	\$ 42,710,451	\$ 13,008,473	\$ 55,718,924
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 4,837,640	\$ 22,631,548	\$ 27,469,188
Restricted for:			
Debt service	848,770	-	848,770
Employee benefits	-	-	-
Industry	-	-	-
Unrestricted	167,898	3,084,831	3,252,729
Total net assets	\$ 5,854,308	\$ 25,716,379	\$ 31,570,687

The notes to the financial statements are an integral part of this statement.

Exhibit 1

Component Units		
School Board	Department of Social Services	Industrial Development Authority
\$ 2,729,300	\$ 662,376	\$ 49,388
-	-	-
-	-	-
-	-	15,629
-	-	-
251,844	-	-
-	-	86,895
-	-	-
-	-	-
1,933,623	183,601	-
-	-	-
-	389,253	-
238,163	211,420	82,719
-	-	-
-	-	-
-	-	6,895,426
442,775	-	-
9,148,989	-	2,639,335
-	-	-
2,350,871	-	-
-	-	-
<u>\$ 16,843,721</u>	<u>\$ 1,446,650</u>	<u>\$ 9,769,392</u>
\$ -	\$ -	\$ -
402,278	1,289	14,086
1,739,256	-	-
-	-	-
626,030	795,337	32,040
280,000	-	-
61,052	-	-
220,000	-	-
-	-	-
-	-	31,071
-	19,309	140,621
126,400	173,782	2,013,471
<u>\$ 3,455,016</u>	<u>\$ 989,717</u>	<u>\$ 2,231,289</u>
\$ 11,942,635	\$ -	\$ 485,243
-	-	-
-	211,420	-
-	-	51,648
1,697,914	245,513	7,001,212
<u>\$ 13,640,549</u>	<u>\$ 456,933</u>	<u>\$ 7,538,103</u>

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government administration	\$ 1,674,569	\$ 42,373	\$ 187,782	\$ -
Judicial administration	1,044,243	220,849	1,032,182	-
Public safety	3,879,456	1,517,246	956,247	12,311
Public works	1,317,690	92,023	-	103,754
Health and welfare	383,665	-	-	-
Education	2,952,059	-	3,135	-
Parks, recreation, and cultural	304,729	-	-	-
Community development	1,244,873	-	5,000	504,513
Interest on long-term debt	1,209,331	-	-	-
Total governmental activities	<u>\$ 14,010,615</u>	<u>\$ 1,872,491</u>	<u>\$ 2,184,346</u>	<u>\$ 620,578</u>
Business-type activities:				
Solid Waste	\$ 780,585	\$ 1,027,744	\$ -	\$ -
Water and Sewer Authority	<u>3,672,769</u>	<u>3,428,393</u>	<u>-</u>	<u>31,302</u>
Total business-type activities	<u>\$ 4,453,354</u>	<u>\$ 4,456,137</u>	<u>\$ -</u>	<u>\$ 31,302</u>
Total primary government	<u><u>\$ 18,463,969</u></u>	<u><u>\$ 6,328,628</u></u>	<u><u>\$ 2,184,346</u></u>	<u><u>\$ 651,880</u></u>
<b>Component Units:</b>				
School Board	\$ 27,106,140	\$ 3,657,766	\$ 20,120,981	\$ -
Department of Social Services	2,822,268	-	2,845,848	-
Industrial Development Authority	<u>827,899</u>	<u>287,917</u>	<u>-</u>	<u>-</u>
Total component units	<u><u>\$ 30,756,307</u></u>	<u><u>\$ 3,945,683</u></u>	<u><u>\$ 22,966,829</u></u>	<u><u>\$ -</u></u>
General revenues:				
General property taxes				
Other local taxes:				
Consumer utility				
Local sales and use taxes				
Business license taxes				
Motor vehicle licenses				
Restaurant food tax				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Gain on disposal of capital assets				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Department of Social Services	Industrial Development Authority
\$ (1,444,414)	\$ -	\$ (1,444,414)	\$ -	\$ -	\$ -
208,788	-	208,788	-	-	-
(1,393,652)	-	(1,393,652)	-	-	-
(1,121,913)	-	(1,121,913)	-	-	-
(383,665)	-	(383,665)	-	-	-
(2,948,924)	-	(2,948,924)	-	-	-
(304,729)	-	(304,729)	-	-	-
(735,360)	-	(735,360)	-	-	-
(1,209,331)	-	(1,209,331)	-	-	-
<u>\$ (9,333,200)</u>	<u>\$ -</u>	<u>\$ (9,333,200)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 247,159	\$ 247,159	\$ -	\$ -	\$ -
-	(213,074)	(213,074)	-	-	-
<u>\$ -</u>	<u>\$ 34,085</u>	<u>\$ 34,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (9,333,200)</u>	<u>\$ 34,085</u>	<u>\$ (9,299,115)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (3,327,393)	\$ -	\$ -
-	-	-	-	23,580	-
-	-	-	-	-	(539,982)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,327,393)</u>	<u>\$ 23,580</u>	<u>\$ (539,982)</u>
\$ 6,362,075	\$ -	\$ 6,362,075	\$ -	\$ -	\$ -
293,291	-	293,291	-	-	-
504,524	-	504,524	-	-	-
393,453	-	393,453	-	-	-
198,192	-	198,192	-	-	-
144,004	-	144,004	-	-	-
144,650	-	144,650	-	-	-
243,219	51,227	294,446	9,904	357	7,386
300,124	24,771	324,895	176,107	-	-
1,338,942	30,381	1,369,323	2,779,145	1,252	71,840
-	-	-	14,620	-	-
<u>\$ 9,922,474</u>	<u>\$ 106,379</u>	<u>\$ 10,028,853</u>	<u>\$ 2,979,776</u>	<u>\$ 1,609</u>	<u>\$ 79,226</u>
\$ 589,274	\$ 140,464	\$ 729,738	\$ (347,617)	\$ 25,189	\$ (460,756)
5,263,526	25,575,915	30,839,441	13,988,166	431,744	7,998,859
<u>\$ 5,852,800</u>	<u>\$ 25,716,379</u>	<u>\$ 31,569,179</u>	<u>\$ 13,640,549</u>	<u>\$ 456,933</u>	<u>\$ 7,538,103</u>

This page intentionally left blank



## **Fund Financial Statements**

This page intentionally left blank

Balance Sheet  
Governmental Funds  
June 30, 2012

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables (net of allowance for uncollectibles):			
Taxes receivable	8,302,494	-	8,302,494
Accounts receivable	196,178	-	196,178
Prepaid items	21,000	-	21,000
Due from component units	1,421,367	32,040	1,453,407
Long-term advance to Component Unit - School Board	280,000	-	280,000
Due from trustee	-	30,000	30,000
Due from other governmental units	295,395	-	295,395
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	848,770	-	848,770
Total assets	<u>\$ 11,365,204</u>	<u>\$ 62,040</u>	<u>\$ 11,427,244</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Reconciled overdraft	\$ 104,085	\$ 2,099	\$ 106,184
Accounts payable	67,514	15,752	83,266
Construction contracts payable	-	410,477	410,477
Retainage payable	-	68,607	68,607
Due to component unit	-	86,895	86,895
Deferred revenue	8,268,395	396,865	8,665,260
Total liabilities	<u>\$ 8,439,994</u>	<u>\$ 980,695</u>	<u>\$ 9,420,689</u>
Fund balances:			
Nonspendable	\$ 301,000	\$ -	\$ 301,000
Restricted for:			
Debt service	848,770	-	848,770
Education	280,000	-	280,000
Unassigned	1,495,440	(918,655)	576,785
Total fund balances	<u>\$ 2,925,210</u>	<u>\$ (918,655)</u>	<u>\$ 2,006,555</u>
Total liabilities and fund balances	<u>\$ 11,365,204</u>	<u>\$ 62,040</u>	<u>\$ 11,427,244</u>

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Assets  
 June 30, 2012

---

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	2,005,047	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			37,133,326
Unspent bond proceeds used for construction by the component unit school board and other assets and liabilities are reported as assets and liabilities of the primary government on the statement of net assets.			4,189
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			288,759
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable	\$	(422,447)	
Long-term liabilities		<u>(33,156,074)</u>	<u>(33,578,521)</u>
Net assets of governmental activities	\$		<u><u>5,852,800</u></u>

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2012

	General	Capital Projects Fund	Total
<b>REVENUES</b>			
General property taxes	\$ 6,302,857	\$ -	\$ 6,302,857
Other local taxes	1,678,114	-	1,678,114
Permits, privilege fees, and regulatory licenses	49,705	-	49,705
Fines and forfeitures	1,471,648	-	1,471,648
Revenue from the use of money and property	240,662	2,557	243,219
Charges for services	351,138	-	351,138
Miscellaneous	266,874	33,250	300,124
Recovered costs	1,274,732	-	1,274,732
Intergovernmental revenues:			
Commonwealth	3,432,985	-	3,432,985
Federal	665,860	45,021	710,881
Total revenues	\$ 15,734,575	\$ 80,828	\$ 15,815,403
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 1,637,251	\$ -	\$ 1,637,251
Judicial administration	1,151,701	-	1,151,701
Public safety	4,061,946	-	4,061,946
Public works	1,511,530	-	1,511,530
Health and welfare	400,778	-	400,778
Education	1,459,430	-	1,459,430
Parks, recreation, and cultural	292,125	-	292,125
Community development	1,198,619	-	1,198,619
Nondepartmental	8,619	-	8,619
Capital projects	-	2,408,301	2,408,301
Debt service:			
Principal retirement	1,998,563	-	1,998,563
Interest and other fiscal charges	1,285,834	-	1,285,834
Total expenditures	\$ 15,006,396	\$ 2,408,301	\$ 17,414,697
Excess (deficiency) of revenues over (under) expenditures	\$ 728,179	\$ (2,327,473)	\$ (1,599,294)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 117,200	\$ 117,200
Transfers (out)	(117,200)	-	(117,200)
Issuance of loan	30,000	-	30,000
Issuance of bonds	-	689,588	689,588
Total other financing sources (uses)	\$ (87,200)	\$ 806,788	\$ 719,588
Net change in fund balances	\$ 640,979	\$ (1,520,685)	\$ (879,706)
Fund balances - beginning	2,284,231	602,030	2,886,261
Fund balances - ending	\$ 2,925,210	\$ (918,655)	\$ 2,006,555

The notes to the financial statements are an integral part of this statement.

Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2012

---

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$	(879,706)
--	----	-----------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded depreciation in the current period:

Capital asset additions	\$	2,314,115	
Depreciation expense		(747,340)	
Net transfer of assets to School Board		<u>(1,491,702)</u>	75,073

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	59,218
--	--------

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items:

Issuances of new debt	\$	(719,588)	
Principal retirement on long-term obligations		<u>1,998,563</u>	1,278,975

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Decrease in accrued interest payable	\$	76,503	
(Increase) in compensated absences		(4,781)	
(Increase) in other postemployment benefits		<u>(14,500)</u>	<u>57,222</u>

Change in net assets of governmental activities	\$	<u><u>590,782</u></u>
---	----	-----------------------

The notes to the financial statements are an integral part of this statement.

Statement of Net Assets  
 Proprietary Funds  
 June 30, 2012

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,411,170	\$ 1,267,252	\$ 5,678,422
Cash with fiscal agent	-	355,129	355,129
Accounts receivable, net of allowance for uncollectibles	171,403	473,304	644,707
Loan receivable, current portion	-	56,349	56,349
Total current assets	\$ 4,582,573	\$ 2,152,034	\$ 6,734,607
Noncurrent assets:			
Other assets	\$ -	\$ 158,761	\$ 158,761
Loan receivable, net of current portion	-	1,030,196	1,030,196
Capital assets:			
Land	-	441,589	441,589
Infrastructure	2,803,807	36,406,133	39,209,940
Building and other improvements	-	2,803,808	2,803,808
Equipment	1,349,866	894,768	2,244,634
Less accumulated depreciation	(1,558,105)	(12,886,203)	(14,444,308)
Construction in progress	75,345	470,280	545,625
Total capital assets	\$ 2,670,913	\$ 28,130,375	\$ 30,801,288
Total noncurrent assets	\$ 2,670,913	\$ 29,319,332	\$ 31,990,245
Total assets	\$ 7,253,486	\$ 31,471,366	\$ 38,724,852
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 25,663	\$ 479,909	\$ 505,572
Accrued interest	-	70,129	70,129
Current portion of bonds and notes payable	1,866	581,817	583,683
Total current liabilities	\$ 27,529	\$ 1,131,855	\$ 1,159,384
Noncurrent liabilities:			
Accrued closure and postclosure landfill costs	\$ 4,035,682	\$ -	\$ 4,035,682
Compensated absences - net of current portion	15,888	180,897	196,785
Bonds and notes payable - net of current portion	-	7,616,622	7,616,622
Total noncurrent liabilities	\$ 4,051,570	\$ 7,797,519	\$ 11,849,089
Total liabilities	\$ 4,079,099	\$ 8,929,374	\$ 13,008,473
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 2,670,913	\$ 19,960,635	\$ 22,631,548
Unrestricted	503,474	2,581,357	3,084,831
Total net assets	\$ 3,174,387	\$ 22,541,992	\$ 25,716,379

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year Ended June 30, 2012

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Disposal fees	\$ 1,002,133	\$ -	\$ 1,002,133
Metered sales - water	-	1,543,822	1,543,822
User fees - sewer	-	1,791,721	1,791,721
Penalties	17	38,071	38,088
Other revenues	25,594	54,779	80,373
Total operating revenues	\$ 1,027,744	\$ 3,428,393	\$ 4,456,137
<b>OPERATING EXPENSES</b>			
Personnel services	\$ 204,639	\$ -	\$ 204,639
Fringe benefits	72,096	-	72,096
Contractual services	183,125	-	183,125
Internal services	80,000	-	80,000
Other charges	109,324	-	109,324
Water and sewer operations	-	2,395,480	2,395,480
Depreciation	171,901	832,910	1,004,811
Amortization	-	21,523	21,523
Landfill closure costs	(40,500)	-	(40,500)
Total operating expenses	\$ 780,585	\$ 3,249,913	\$ 4,030,498
Operating income (loss)	\$ 247,159	\$ 178,480	\$ 425,639
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	\$ 5,000	\$ -	\$ 5,000
Settlement income	-	25,381	25,381
Interest expense	-	(364,673)	(364,673)
Interest income	8,054	43,173	51,227
Other non-operating revenues	-	24,771	24,771
Other non-operating expenses	-	(58,183)	(58,183)
Total nonoperating revenues (expenses)	\$ 13,054	\$ (329,531)	\$ (316,477)
Income before capital contributions	260,213	(151,051)	109,162
Capital contributions and connection charges	\$ -	\$ 31,302	\$ 31,302
Total capital contributions	\$ -	\$ 31,302	\$ 31,302
Change in net assets	\$ 260,213	\$ (119,749)	\$ 140,464
Total net assets - beginning	2,914,174	22,661,741	25,575,915
Total net assets - ending	\$ 3,174,387	\$ 22,541,992	\$ 25,716,379

The notes to the financial statements are an integral part of this statement.



Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 960,030	\$ 3,438,074	\$ 4,398,104
Receipts for other charges	25,594	-	25,594
Payments to suppliers of goods and services	(164,333)	(1,122,193)	(1,286,526)
Payments to employees	(277,640)	(970,392)	(1,248,032)
Payments for interfund services used	(80,000)	-	(80,000)
Payments for other charges	(109,324)	-	(109,324)
Net cash provided by (used for) operating activities	\$ 354,327	\$ 1,345,489	\$ 1,699,816
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Nonoperating grants from Commonwealth of Virginia	\$ 5,000	\$ -	\$ 5,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	\$ (75,345)	\$ (523,507)	\$ (598,852)
Other nonoperating income	-	24,771	24,771
Capital contributions and connection charges	-	31,302	31,302
Miscellaneous non-operating expenses	-	(58,183)	(58,183)
Interest payments	-	(374,038)	(374,038)
Loans made to other entities	-	(314,000)	(314,000)
Principal payments on loans receivable	-	47,847	47,847
Retirement of indebtedness	-	(546,368)	(546,368)
Proceeds from settlement of lawsuit	-	111,966	111,966
Net cash provided by (used for) capital and related financing activities	\$ (75,345)	\$ (1,600,209)	\$ (1,675,555)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earned	\$ 8,054	\$ 43,173	\$ 51,227
Net increase (decrease) in cash and cash equivalents	\$ 292,036	\$ (211,547)	\$ 80,488
Cash and cash equivalents - beginning	4,119,134	1,833,928	5,953,062
Cash and cash equivalents - ending	\$ 4,411,170	\$ 1,622,381	\$ 6,033,550
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 247,159	\$ 178,480	\$ 425,639
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	\$ 171,901	\$ 854,433	\$ 1,026,334
(Increase) decrease in accounts receivable	(42,120)	6,129	(35,991)
Increase (decrease) in accounts payable	18,792	306,447	325,239
(Decrease) in accrued leave	(905)	-	(905)
Total adjustments	\$ 107,168	\$ 1,167,009	\$ 1,274,177
Net cash provided by (used for) operating activities	\$ 354,327	\$ 1,345,489	\$ 1,699,816

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank

## COUNTY OF GREENSVILLE, VIRGINIA

### Notes to Financial Statements As of June 30, 2012

---

#### **Note 1—Summary of Significant Accounting Policies:**

---

The County of Greenville, Virginia was formed in 1781 and is governed by an elected four member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection; sanitation services; recreational activities, cultural events, education and social services.

The financial statements of the County of Greenville, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

#### Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

#### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its components unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The government has presented the original budget in addition to the final budget in comparison with actual results.

#### A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organizations governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Greenville, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### B. Individual Component Unit Disclosures

##### 1. Blended Component Units

The Greenville County Water and Sewer Authority has separate corporate powers that distinguish it as being legally separate from the County of Greenville, Virginia. The Water and Sewer Authority is financially accountable to the County because the County appoints a voting majority of its governing body and has the ability to impose its will on the Authority by significantly influencing the programs, projects, activities, and level of services provided by the Authority. The governing body of the Authority is the same as the governing body of the County.

For the reasons listed above, the Greenville Water and Sewer Authority is a Blended Component Unit of the County. The financial data of the Authority for its year ended September 30, 2011 has been included in this financial report. However, separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greenville County Circle, Emporia, Virginia 23847.

##### 2. Discretely Presented Component Units

The Greenville County School Board operates the elementary and secondary public schools in the County. School Board members are appointed by the County Board of Supervisors. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is comprised of two Special Revenue Funds, the School Operating and School Cafeteria; and one Capital Projects Fund, the School Capital Projects Fund. The School Board is a discretely presented component unit of the County for which separate financial statements are issued. Copies of such statements can be obtained from the School Board offices located at 105 Ruffin Street, Emporia, Virginia 23847.

The Greenville County Industrial Development Authority was created by the County to attract industry to the County and to provide financing for such industries. The Authority does have separate corporate powers that distinguish it as being legally separate from the County. The County is financially accountable for the Authority because it appoints a voting majority of the Authority's governing body and there exists a financial benefit or burden between the two entities. However, because the two governing bodies are not substantially the same, the Authority is a discretely presented component unit of the County. Separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greenville County Circle, Emporia, Virginia 23847.

The Greenville/Emporia Department of Social Services has also been determined to be a discretely presented component unit of the County. The following factors require the Department to be reported as a discretely presented component unit: the County's Board of Supervisors appoints a voting majority of the Department's governing body, the existence of a financial benefit and burden between the County and Department, and the County is financially accountable for the Department. All of these factors require the department to be reported as a discretely presented component unit. Separate financial statements for the Department have been issued and can be obtained from their administrative offices located at P.O. Box 1136, Emporia, Virginia 23847.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### C. Other Related Organizations

##### Included in the County's Financial Report

None

##### Excluded from the County's Financial Report:

##### Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The counties of Greenville, Brunswick and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints two (2) of the ten (10) members of the Board.

##### District 19 Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the county's financial statements. The County appoints two of the Board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. T

##### Southside Regional Jail Authority

The Authority was created in 1995 to develop, construct, operate and maintain the regional jail known as Southside Regional Jail Authority. The Jail's service area includes the County of Greenville and the City of Emporia. The Authority is governed by a Board of Directors appointed by the Board of Supervisors of the County of Greenville and City of Emporia, Virginia. The Board of Directors has appointed the Treasurer of Greenville County to serve as fiscal agent. The Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify decisions of the Authority. The Authority is fiscally independent and there is not financial benefit or burden relationship with the County.

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

#### 1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following major governmental funds:

##### a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

##### 1. Governmental Funds (Continued)

###### b. Capital Projects Fund

The Capital Projects Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund for reporting purposes.

###### c. Proprietary Fund

The Proprietary Fund accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and cash flow. The Proprietary Fund consists of the Enterprise Fund.

The Enterprise Fund accounts for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Solid Waste Fund and Greenville Water and Sewer Authority (blended component unit) are Enterprise Funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### E. Budgets and Budgetary Accounting

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.



## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies (Continued)

---

#### **E. Budgets and Budgetary Accounting (Continued)**

4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and the General Capital Projects Funds of the primary government and the School Fund, School Cafeteria Fund and School Capital Projects of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

#### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments for the government, as well as for its component units, are reported at fair value. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### **G. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$193,470 at June 30, 2012 and is comprised solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. The County bills and collects its own property taxes.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### H. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2012 was immaterial.

Property, plant and equipment of the primary government, and infrastructure as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures, lines & accessories	30
Buildings	40
Building improvements	20-40
Vehicles	5
Office and computer equipment	5
Buses	8
Police vehicles	3
Land Improvements	20

#### I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay the leave. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

#### J. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### J. Long-term Obligations

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### K. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current services costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension costs as it accrues.

#### L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### M. Restricted Cash

##### General Fund:

The County maintains a Debt Service Reserve Fund restricted for future required debt service payments on the following debt issues:

Series 2000 Lease Revenue Bond	\$ 452,922
Series 2003 Lease Revenue Bond	<u>395,848</u>
Total restricted cash, Exhibit 3	<u>\$ 848,770</u>

##### School Board:

In addition to Exhibit 3 the County holds restricted funds for the Component Unit-School Board as follows:

Restricted cash, SNAP School Funds	\$ 4,189
Restricted cash, school capital projects	<u>238,163</u>
Total restricted cash, Exhibit 1	<u>\$ 1,091,122</u>

#### N. Fund Balances

##### Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 1—Summary of Significant Accounting Policies: (Continued)

---

#### N. Fund Balances

##### Financial Policies

Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned fund balance - Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

#### O. Designated Cash

The County designates cash in the Solid Waste Fund for the following purposes:

Designated for new equipment	\$ 218,167
Designated for new cell development	1,309,023
Designated for postclosure monitoring	1,147,332
Designated for landfill closure	1,444,611
Total designated cash	<u>\$ 4,119,133</u>

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 2—Deposits and Investments:

---

#### Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

The County has no formal investment policy addressing the various risks related to investments.

#### Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2012 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
U.S. Agencies Money Market	\$ 870,108
Local Government Investment Pool	<u>364,669</u>
Total	<u>\$ 1,234,777</u>

#### External Investment Pools

The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As the pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

#### Other

##### Discretely Presented Component Unit-Greenville/Emporia Department of Social Services

All funds of the Department are in the custody of the Treasurer of the County.

##### Discretely Presented Component Unit-Greenville County Industrial Development Authority

All funds of the Authority are in the custody of the Authority’s Treasurer.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 3—Due From/To Other Governmental Units:

---

At June 30, 2012 the County has receivables from other governments as follows:

#### Primary Government:

##### Commonwealth of Virginia:

Local Sales Tax	\$	81,528
Communications Tax		30,892
Other State Funds		141,564
Total due from Commonwealth of Virginia	\$	<u>253,984</u>

##### Federal government:

Energy Conservation Grant	\$	29,453
Community Development Block Grant		11,958
Total due from federal government	\$	<u>41,411</u>

Total Due From Other Governmental Units	\$	<u><u>295,395</u></u>
---	----	-----------------------

#### Discretely Presented Component Units:

##### School Board:

State Sales Tax	\$	395,399
State Technology		308,000
Other State School Funds		3,682
Federal School Funds		<u>1,226,542</u>

Total School Board	\$	<u>1,933,623</u>
--------------------	----	------------------

##### Department of Social Services:

State Public assistance	\$	50,088
State Comprehensive Services Act		53,509
Federal Public assistance		<u>80,004</u>

Total Department of Social Services	\$	<u>183,601</u>
-------------------------------------	----	----------------

Total Discretely Presented Component Units	\$	<u><u>2,117,224</u></u>
--	----	-------------------------

# COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

## Note 4—Capital Assets:

### Primary Government:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,295,528	\$ 86,895	\$ -	\$ 1,382,423
Construction in progress	1,024,282	2,150,735	755,811	2,419,206
Total capital assets not being depreciated	\$ 2,319,810	\$ 2,237,630	\$ 755,811	\$ 3,801,629
Capital assets being depreciated:				
Buildings and improvements	\$ 20,641,508	\$ -	\$ -	\$ 20,641,508
Land Improvements	1,416,126	-	-	1,416,126
Machinery and Equipment	2,256,815	112,296	-	2,369,111
Jointly owned assets	18,436,629	720,000	981,150	18,175,479
Total capital assets being depreciated	\$ 42,751,078	\$ 832,296	\$ 981,150	\$ 42,602,224
Less accumulated depreciation for:				
Buildings and improvements	\$ 3,398,248	\$ 516,038	\$ -	\$ 3,914,286
Land Improvements	273,074	70,806	-	343,880
Machinery and Equipment	1,991,863	160,496	-	2,152,359
Jointly owned assets	2,349,450	819,008	308,456	2,860,002
Total accumulated depreciation	\$ 8,012,635	\$ 1,566,348	\$ 308,456	\$ 9,270,527
Total capital assets being depreciated, net	\$ 34,738,443	\$ (734,052)	\$ 672,694	\$ 33,331,697
Governmental activities capital assets, net	\$ 37,058,253	\$ 1,503,578	\$ 1,428,505	\$ 37,133,326
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 441,589	\$ -	\$ -	\$ 441,589
Construction in progress	79,812	465,813	-	545,625
Total capital assets not being depreciated	\$ 521,401	\$ 465,813	\$ -	\$ 987,214
Capital assets being depreciated:				
Infrastructure	\$ 39,108,475	\$ 101,465	\$ -	\$ 39,209,940
Buildings and improvements	2,803,808	-	-	2,803,808
Machinery and Equipment	2,213,061	31,573	-	2,244,634
Total capital assets being depreciated	\$ 44,125,344	\$ 133,038	\$ -	\$ 44,258,382
Less accumulated depreciation for:				
Infrastructure	\$ 11,389,198	\$ 781,583	\$ -	\$ 12,170,781
Buildings and other improvements	615,043	92,429	-	707,472
Machinery and Equipment	1,435,256	130,799	-	1,566,055
Total accumulated depreciation	\$ 13,439,497	\$ 1,004,811	\$ -	\$ 14,444,308
Total capital assets being depreciated, net	\$ 30,685,847	\$ (871,773)	\$ -	\$ 29,814,074
Business-type activities, net	\$ 31,207,248	\$ (405,960)	\$ -	\$ 30,801,288

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit School Board:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 442,775	\$ -	\$ -	\$ 442,775
Construction in progress	1,297,407	-	1,297,407	-
Total capital assets not being depreciated	\$ 1,740,182	\$ -	\$ 1,297,407	\$ 442,775
Capital assets being depreciated:				
Buildings and improvements	\$ 35,506,234	\$ -	\$ -	\$ 35,506,234
Equipment	3,763,013	1,383,592	151,635	4,994,970
Jointly owned assets	(18,436,629)	981,150	720,000	(18,175,479)
Total capital assets being depreciated	\$ 20,832,618	\$ 2,364,742	\$ 871,635	\$ 22,325,725
Less accumulated depreciation for:				
Buildings and improvements	\$ 10,202,119	\$ 839,648	\$ -	\$ 11,041,767
Equipment	2,411,839	381,197	148,936	2,644,100
Jointly owned assets	(2,349,450)	308,456	819,008	(2,860,002)
Total accumulated depreciation	\$ 10,264,508	\$ 1,529,301	\$ 967,944	\$ 10,825,865
Total capital assets being depreciated, net	\$ 10,568,110	\$ 835,441	\$ (96,309)	\$ 11,499,860
Governmental activities capital assets, net	\$ 12,308,292	\$ 835,441	\$ 1,201,098	\$ 11,942,635

Discretely Presented Component Unit Department of Social Services:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets being depreciated:				
Equipment	\$ 136,260	\$ -	\$ 61,809	\$ 74,451
Less accumulated depreciation for:				
Equipment	\$ 136,260	\$ -	\$ 61,809	\$ 74,451
Total capital assets being depreciated, net	\$ -	\$ -	\$ -	\$ -



COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit Industrial Development Authority:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets being depreciated:				
Buildings	\$ <u>4,012,951</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,012,951</u>
Less accumulated depreciation for:				
Buildings	\$ <u>1,239,851</u>	\$ <u>133,765</u>	\$ <u>-</u>	\$ <u>1,373,616</u>
Total accumulated depreciation	\$ <u>1,239,851</u>	\$ <u>133,765</u>	\$ <u>-</u>	\$ <u>1,373,616</u>
Total capital assets being depreciated, net	\$ <u><u>2,773,100</u></u>	\$ <u><u>(133,765)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,639,335</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

General government administration	\$ 470,832
Judicial administration	19,580
Public safety	114,960
Public works	12,572
Education	819,008
Community development	<u>129,396</u>

Total \$ 1,566,348

Business-Type activities \$ -

Component Unit-School Board \$ 1,529,301

Component Unit-School Department of Social Services \$ -

Component Unit-School Industrial Development Authority \$ 133,765

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

**Note 5—Due To/From Primary Government/Component Units:**

---

<u>Fund</u>	<u>Due From Primary Government/ Component Unit</u>	<u>Due To Primary Government/ Component Unit</u>
Primary Government:		
Governmental Funds	\$ 1,453,407	\$ 86,895
Discretely Presented Component Units:		
School Board:		
School Operating Fund	-	626,030
Industrial Development Authority:		
IDA	86,895	32,040
Department of Social Services:		
Virginia Public Assistance Fund	-	795,337
Total	\$ <u>1,540,302</u>	\$ <u>1,540,302</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

**Note 6—Long-Term Obligations:**

**Primary Government—Governmental Activities:**

Annual requirements to amortize long-term obligations are as follows:

Year Ending June 30,	Primary Government					
	Total Revenue Bonds		VPSA Bonds		Notes payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 635,604	\$ 674,043	\$ 800,562	\$ 277,277	\$ 75,124	\$ 64,964
2014	839,558	645,776	808,166	236,246	78,216	61,872
2015	878,606	608,545	816,312	194,309	81,437	58,651
2016	917,753	568,971	824,893	152,664	84,790	55,298
2017	958,005	527,339	833,971	110,452	88,283	51,806
2018	998,362	466,172	843,575	67,715	91,920	48,168
2019	1,049,834	437,961	160,000	43,289	95,708	44,380
2020	1,096,425	389,370	45,000	40,356	99,652	40,436
2021	759,141	348,841	45,000	40,356	103,760	36,329
2022	786,987	316,905	45,000	40,356	108,039	32,050
2023	826,971	282,898	45,000	40,356	112,494	27,595
2024	862,098	247,241	45,000	40,356	117,134	22,954
2025	848,530	210,792	45,000	40,356	121,967	18,122
2026	865,000	175,235	45,000	40,356	126,999	13,089
2027	899,000	138,379	45,000	40,356	123,154	7,848
2028	939,000	99,884	-	-	120,516	417
2029	559,000	59,780	-	-	-	-
2030	45,000	36,059	-	-	-	-
2031	50,000	34,100	-	-	-	-
2032	50,000	32,028	-	-	-	-
2033	55,000	29,716	-	-	-	-
2034	55,000	27,172	-	-	-	-
2035	60,000	24,513	-	-	-	-
2036	60,000	21,738	-	-	-	-
2037	65,000	18,847	-	-	-	-
2038	70,000	15,725	-	-	-	-
2039	70,000	12,488	-	-	-	-
2040	75,000	9,134	-	-	-	-
2041	80,000	5,550	-	-	-	-
2042	80,000	1,850	-	-	-	-
Total	\$ 15,534,874	\$ 6,467,051	\$ 5,447,479	\$ 1,404,800	\$ 1,629,193	\$ 583,979

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government—Governmental Activities: (Continued)

Annual requirements to amortize long-term obligations are as follows: (Continued)

Year Ending June 30,	Primary Government					
	Capital Leases		Literary Loans		USDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 51,972	\$ 2,850	\$ 475,000	\$ 130,500	\$ 22,337	\$ 151,210
2014	22,699	505	375,000	120,000	93,405	155,095
2015	-	-	375,000	112,500	96,892	151,608
2016	-	-	375,000	105,000	100,512	147,988
2017	-	-	375,000	97,500	92,901	144,443
2018	-	-	375,000	90,000	42,723	140,724
2019	-	-	375,000	82,500	44,526	138,921
2020	-	-	375,000	75,000	46,406	137,041
2021	-	-	375,000	67,500	48,160	135,287
2022	-	-	375,000	60,000	50,399	133,048
2023	-	-	375,000	52,500	52,528	130,919
2024	-	-	375,000	45,000	54,748	128,699
2025	-	-	375,000	37,500	56,863	126,584
2026	-	-	375,000	30,000	59,465	123,982
2027	-	-	375,000	22,500	61,979	121,468
2028	-	-	375,000	15,000	64,600	118,847
2029	-	-	375,000	7,500	67,143	116,304
2030	-	-	-	-	70,173	113,274
2031	-	-	-	-	76,049	110,305
2032	-	-	-	-	54,562	107,098
2033	-	-	-	-	56,782	104,878
2034	-	-	-	-	59,460	102,200
2035	-	-	-	-	62,077	99,583
2036	-	-	-	-	64,808	96,852
2037	-	-	-	-	67,492	94,168
2038	-	-	-	-	70,630	91,030
2039	-	-	-	-	73,739	87,921
2040	-	-	-	-	76,984	84,676
2041	-	-	-	-	80,218	81,442
2042	-	-	-	-	83,904	77,756
2043	-	-	-	-	87,598	74,062
2044	-	-	-	-	91,454	70,206
2045	-	-	-	-	95,343	66,317
2046	-	-	-	-	99,678	61,982
2047	-	-	-	-	104,068	57,592
2048	-	-	-	-	108,650	53,010
2049	-	-	-	-	113,317	48,343
2050	-	-	-	-	93,778	43,234
2051	-	-	-	-	869,356	39,118
Total	\$ 74,671	\$ 3,355	\$ 6,475,000	\$ 1,150,500	\$ 3,615,709	\$ 4,067,214

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government—Business-Type Activities: (Continued)

Annual requirements to amortize long-term obligations are as follows: (Continued)

Year Ended Sept. 30,	Water and Sewer Revenue Bonds					
	2004		2002 Refunding		1992	
	Principal	Interest	Principal	Interest	Principal	
2013	\$ 15,000	\$ 19,708	\$ 285,000	\$ 134,380	\$ 100,000	
2014	15,000	19,168	295,000	120,942	100,000	
2015	15,000	18,628	315,000	105,310	-	
2016	15,000	18,086	325,000	90,536	-	
2017	15,000	17,422	340,000	76,481	-	
2018	15,000	16,808	355,000	61,273	-	
2019	15,000	16,192	370,000	45,093	-	
2020	15,000	15,578	390,000	27,751	-	
2021	15,000	14,962	405,000	9,366	-	
2022	15,000	14,346	-	-	-	
2023	15,000	13,714	-	-	-	
2024	20,000	13,080	-	-	-	
2025	20,000	12,210	-	-	-	
2026	20,000	11,314	-	-	-	
2027	20,000	10,294	-	-	-	
2028	20,000	9,276	-	-	-	
2029	20,000	8,330	-	-	-	
2030	20,000	7,384	-	-	-	
2031	25,000	6,440	-	-	-	
2032	25,000	5,290	-	-	-	
2033	30,000	4,140	-	-	-	
2034	30,000	2,760	-	-	-	
2035	30,000	1,385	-	-	-	
Total	\$ 445,000	\$ 276,515	\$ 3,080,000	\$ 671,132	\$ 200,000	
Premium on bonds payable			29,440		-	
Less deferred amount on refunding			(119,010)		-	
Less unamortized discount on bond issuance			-		(93,131)	
Total			\$ 2,990,430		\$ 106,869	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government—Business-Type Activities: (Continued)

Annual requirements to amortize long-term obligations are as follows: (Continued)

Year Ended Sept. 30,	Infrastructure Revenue Bonds		Loan Payable	
	Principal	Interest	Principal	Interest
2012	\$ 150,000	\$ 184,819	\$ 11,154	\$ 5,613
2013	150,000	181,519	11,547	5,220
2014	160,000	178,219	11,955	4,812
2015	160,000	174,249	12,377	4,390
2016	170,000	167,029	12,815	3,952
2017	180,000	160,776	13,267	3,501
2018	180,000	151,416	13,735	3,032
2019	190,000	143,056	14,220	2,547
2020	200,000	133,726	14,722	2,045
2021	205,000	126,226	15,242	1,525
2022	220,000	117,854	15,780	987
2023	230,000	107,633	16,338	372
2024	235,000	96,898	-	-
2025	250,000	85,815	-	-
2026	265,000	73,940	-	-
2027	275,000	61,360	-	-
2028	285,000	47,060	-	-
2029	300,000	32,240	-	-
2030	320,000	16,640	-	-
Total	\$ 4,125,000	\$ 2,240,475	\$ 163,152	\$ 37,996
Premium on bonds payable	339,288			
Total	\$ 4,464,288			

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

**Note 6—Long-Term Obligations: (Continued)**

**Changes in Long-term Obligations:**

The following is a summary of long-term obligations transactions of the County and Component Units for the year ended June 30, 2012:

	<u>Balance Payable at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Payable at June 30, 2012</u>	<u>Due Within One Year</u>
<b>Primary Government:</b>					
<b><u>Governmental Activities</u></b>					
Revenue bonds	\$ 16,095,613	\$ -	\$ 560,739	\$ 15,534,874	\$ 635,604
Premium on bonds	61,436	-	2,048	59,388	2,048
USDA loans	3,091,213	541,088	16,592	3,615,709	22,337
Notes payable	1,522,848	178,500	72,155	1,629,193	75,124
Capital leases	148,232	-	73,561	74,671	51,972
Literary fund loans	6,950,000	-	475,000	6,475,000	475,000
VPSA bonds	6,245,947	-	798,468	5,447,479	800,562
Other Post Employment benefits	50,200	23,600	9,100	64,700	-
Compensated absences	250,279	4,781	-	255,060	25,506
Total Governmental Activities	<u>\$ 34,415,768</u>	<u>\$ 747,969</u>	<u>\$ 2,007,663</u>	<u>\$ 33,156,074</u>	<u>\$ 2,088,153</u>
<b><u>Business-Type Activities</u></b>					
Revenue bonds	\$ 8,274,177	\$ -	\$ 517,308	\$ 7,756,869	\$ 541,728
Capital leases	18,287	-	18,287	-	-
Premium on bonds	390,787	-	22,059	368,728	22,059
Deferred amount on refunding	(132,234)	13,224	-	(119,010)	(13,224)
Notes payable	173,925	-	10,773	163,152	11,154
Landfill closure and postclosure liability	4,076,182	-	40,500	4,035,682	-
Other Post Employment benefits	9,989	311	1,700	8,600	-
Compensated absences	211,543	8,113	905	218,751	21,875
Total Business-Type Activities	<u>\$ 13,022,656</u>	<u>\$ 21,648</u>	<u>\$ 611,532</u>	<u>\$ 12,432,772</u>	<u>\$ 583,592</u>
<b>Component Unit Industrial Development Authority</b>					
Notes payable	<u>\$ 2,587,340</u>	<u>\$ -</u>	<u>\$ 433,248</u>	<u>\$ 2,154,092</u>	<u>\$ 140,621</u>
<b>Component Unit Department of Social Services</b>					
Compensated absences	<u>\$ 218,280</u>	<u>\$ -</u>	<u>\$ 25,189</u>	<u>\$ 193,091</u>	<u>\$ 19,309</u>
<b>Component Unit Department School Board</b>					
Other Post Employment benefits	<u>\$ 121,400</u>	<u>\$ 84,600</u>	<u>\$ 79,600</u>	<u>\$ 126,400</u>	<u>\$ 12,640</u>

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

### Note 6—Long-Term Debt: (Continued)

#### Details of Long-term Indebtedness:

	<u>Amount Outstanding</u>
<b><u>Primary Government--Governmental Activities:</u></b>	
<b><u>State Literary Fund Loans:</u></b>	
Authorized \$7,500,000, issued February 2009, payable at \$375,000 principal over the next 20 years through 2029, plus interest payable at 2%	\$ 6,375,000
Authorized \$2,000,000, issued December 1992 payable at \$100,000 principal over the next 20 years through 2013, plus interest at \$3 per annum	<u>100,000</u>
Total State Literary Fund Loans	\$ <u>6,475,000</u>
<b><u>Virginia Public School Authority Bonds:</u></b>	
Authorized \$4,819,765, issued November 1997, payable at various levels from \$191,39 to \$308,575 annually through 2018, plus interest at varying rates from 4.35% to 5.35% payable semi-annually	\$ 1,717,479
Authorized \$760,000 QSC Bonds, Series 2010-1, issued July 1, 2010, payable at \$85,356 annually through 2028, plus interest paid semi-annually and reimbursed by a federal tax credit equal to the interest paid of 5.31%	675,000
Authorized \$7,570,000 General Obligation Bonds, Series 1998-A, issued May 1, 1998, payable at various levels from \$375,000 to \$380,000 annually through 2018, plus interest paid semi-annually at rates varying from 5.35% to 5.60%	2,250,000
Authorized \$2,300,000, issued April 1998, with principal of \$115,000 payable annually from July 15, 1999 through July 15, 2018, interest paid semi-annually at various interest rates from 4.10% to 5.35%	<u>805,000</u>
Total Virginia Public School Authority Bonds	\$ <u>5,447,479</u>
<b><u>Revenue Bonds:</u></b>	
Authorized \$4,595,000 lease revenue bonds, issued January 27, 2000, payable at various amounts from \$130,000 to \$365,000 annually through fiscal year 2020, plus interest paid semi-annually at a rate of 5.530%	\$ 2,430,000
Authorized \$6,375,000 lease revenue bonds, issued June 19, 2007, payable at various amounts from \$175,943 to \$535,640 annually through fiscal year 2029, plus interest paid semi-annually at 4.21%	6,253,000



## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

### Note 6—Long-Term Debt: (Continued)

#### Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b>Primary Government--Governmental Activities: (Continued)</b>	
<b>Revenue Bonds: (Continued)</b>	
Authorized \$516,000 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$4,003 through fiscal year 2025, interest at 4.71%	\$ 446,468
Authorized \$243,175 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$1,886 through fiscal year 2025, interest at 4.71%	210,406
Authorized \$1,355,000 2011A VRA bonds, issued May 18, 2011, payable at various amounts from \$20,000 to \$80,000 annually through fiscal year 2042, plus interest at 4.62%	1,355,000
Authorized \$6,660,000 lease revenue bonds, issued June 17, 2003, payable at various amounts from \$185,000 to \$400,000 annually through fiscal year 2028, plus interest at 4.25%	<u>4,840,000</u>
Total Revenue Bonds	<u>\$ 15,534,874</u>
<b>USDA Loans:</b>	
Authorized \$1,345,650 USDA Rural Development bonds, issued June 30, 2009, payable at \$48,115 annually through fiscal year 2049, plus interest paid at 4.375%	\$ 1,309,499
Authorized \$371,530 USDA Rural Development bonds, issued September 17, 2010, payable in installments of \$18,975 annually through fiscal year 2051, interest at 4.00%	371,530
Authorized \$1,425,600 USDA Rural Development bonds, issued December 1, 2010, payable at yearly installments of \$70,154 annually through fiscal year 2050 and a balloon payment of \$891,143 due in FY 2051, interest at 4.5%	1,423,592
Authorized \$442,720 USDA Rural Development bonds, issued December 8, 2011, payable at \$21,787 annually through fiscal year 2031 plus interest paid at 3.75%	281,481
Authorized \$1,399,273 USDA Rural Development bonds, issued June 1, 2012, payable at \$65,053 annually through fiscal year 2017, plus interest paid at 3.375%	<u>229,607</u>
Total USDA Loans	<u>\$ 3,615,709</u>

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

### Note 6—Long-Term Debt: (Continued)

#### Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b><u>Primary Government--Governmental Activities: (Continued)</u></b>	
<b><u>Capital Leases:</u></b>	
Lease purchase agreement dated February 6, 2008 with USDA Rural Development payable for 60 months through June 30, 2013 at a monthly payment of \$751, including interest at a rate of 4.1% for the purchase of a animal control vehicle. The cost of the vehicle being leased is \$40,000 and accumulated depreciation amounted to \$31,955 at June 30, 2012.	\$ 8,045
Lease purchase agreement of \$200,000 dated December 1, 2008 with Comvest payable semi-annually for 6 years through June 30, 2014 at semi-annual payment of \$23,204, including interest at a rate of 4.1% for the purchase of a fire truck. The fire truck is owned by the Jarratt Volunteer Fire Department.	<u>66,626</u>
Total Capital Leases	\$ <u>74,671</u>
<b><u>Notes Payable:</u></b>	
Note payable dated November 1, 2006 with First Community Bank, drawdowns not to exceed \$1,700,000, principal and interest due semi-annually, total annual payments of \$125,088, interest at 4.15%.	\$ 1,459,767
Note payable dated June 30, 2011 with Greenville County Water and Sewer Authority, total annual payments of \$15,000, interest at 3.32%.	<u>169,426</u>
Total Notes Payable	\$ <u>1,629,193</u>
Compensated Absences	\$ <u>255,060</u>
Premium on bonds	\$ <u>59,388</u>
Other Post-Employment Benefits	\$ <u>64,700</u>
Total Primary Government-Governmental Activities	\$ <u><u>33,156,074</u></u>
<b><u>Primary Government--Business-Type Activities:</u></b>	
<b><u>Solid Waste Fund:</u></b>	
Landfill closure and postclosure liability	\$ <u>4,035,682</u>
Compensated absences	\$ <u>17,754</u>

# COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

## Note 6—Long-Term Debt: (Continued)

### Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b><u>Primary Government--Business-Type Activities: (Continued)</u></b>	
<u>Water and Sewer Authority:</u>	
<u>Notes Payable:</u>	
\$235,629 Water & Sewer loan payable issued May 30, 2003, due in semi-annual payments of principal and interest of \$8,387, through September 1, 2023, interest at 3.50%	\$ <u>163,152</u>
<u>Revenue Bonds:</u>	
\$4,935,000 Water & Sewer Refunding Revenue Bonds series 2002B issued November 5, 2002, due in various semi-annual installments of principal and interest through October 1, 2019, variable interest of 2.0% - 5.0% payable semi-annually	\$ 3,080,000
Premiums on bonds	368,728
Deferred amount on refunding	(119,010)
\$2,000,000 Water & Sewer Revenue Bonds series 1992 issued June 26, 1992, due in semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	106,869
\$4,435,000 Water & Sewer Refunding Revenue Bonds Series 2010, issued June 16, 2010, due in various semi-annual payments of principal and interest through October 1, 2030, variable interest of 2.2% - 5.2% and payable semi-annually.	4,125,000
\$515,000 Water and Sewer Revenue Bonds Series 2004B, issued October 27, 2004, due in various semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	<u>445,000</u>
Total revenue bonds	\$ <u>8,006,587</u>
Other Post Employment benefits	8,600
Compensated absences	\$ <u>200,997</u>
Total Primary Government--Business-Type Activities	\$ <u>12,432,772</u>
Total Primary Government	\$ <u>45,588,846</u>

# COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

## Note 6—Long-Term Debt: (Continued)

### Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b><u>Discretely Presented Component Unit-Greenville County School Board</u></b>	
Other postemployment benefits	\$ <u>126,400</u>
<b><u>Discretely Presented Component Unit-Greenville/Emporia Department of Social Services:</u></b>	
Compensated absences	\$ <u>193,091</u>
<b><u>Discretely Presented Component Unit-Industrial Development Authority of Greenville County, Virginia:</u></b>	
<b><u>Notes Payable:</u></b>	
On March 31, 1998, the Authority entered into a credit line deed of trust note payable agreement in an amount not to exceed \$1,576,000. Proceeds of this indebtedness are to be used to construct a shell building to attract more industry to the County of Greenville. Interest shall accrue on the unpaid principal balance of this Note at 8.67% per annum until March 31, 2000, at which time the interest rate will be adjusted to equal the then existing weekly average yield on U. S. Treasury securities, adjusted to a constant maturity of three years plus 2.255 per annum. Accrued interest shall be payable quarterly on the first day of each calendar quarter beginning July 1, 1998.	\$ 1,066,181
On December 28, 2006, the Authority entered into a note payable agreement in an amount not exceed \$400,000. Proceeds are to be used to finance rail infrastructure in the industrial park. Payments are due monthly in the amount of \$4,050 through December 31, 2016, interest at 4.00%.	199,912
On April 23, 2008, the Authority entered into a note payable agreement in the amount of \$189,000. Proceeds are to be used for wetlands mitigation. Payments are due monthly in the amount of \$1,914 through March 30, 2018, interest at 4.00%.	117,791
On July 19, 2010, the Authority entered in a note payable agreement in the amount of \$825,000 with the Greenville County Water and Sewer Authority. The proceeds were used to refinance the note payable agreement dated February 11, 2005 with an outstanding balance of \$820,594. Payments are due monthly in the amount of \$4,913 through July 15, 2030, interest at 3.80%.	770,208
Total long-term obligations Industrial Development Authority	\$ <u>2,154,092</u>
Total long-term obligations, reporting entity	\$ <u>48,062,429</u>

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 7—Employee Retirement System and Defined Benefit Pension Plan:

---

#### A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 7—Employee Retirement System and Defined Benefit Pension Plan: (Continued)

---

#### A. Plan Description (Continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2012 were 6.78% and 6.66% of annual covered payroll, respectively.

The Department of Social Services contribution rate for the fiscal year ended 2012 was 9.38% of annual covered payroll.

The School Board's contributions for professional employees was \$743,515, \$472,364 and \$840,589, to the teacher cost-sharing pool for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. The contribution rate was 6.33% in 2012, zero (0.00%) for April through June 2010, 3.93% in 2011, and 8.81% from July 2009 through March 2010.

#### C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$261,068 was equal to the County's required and actual contributions.

For fiscal year 2012, the School Board's annual pension cost for the Board's non-professional employees was \$55,747, which was equal to the Board's required and actual contributions.

For fiscal year 2012, the Social Services Department's annual pension cost for the Department's employees was \$84,452, which was equal to the Department's required and actual contributions.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

Note 7—Employee Retirement System and Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

Three-Year Trend Information for County - Primary Government				
Fiscal Year Ending	Annual Pension Cost (APC) <sup>(1)</sup>	Percentage of APC Contributed	Net Pension Obligation	
6/30/10	\$ 118,826	100%	\$	-
6/30/11	263,601	100%		-
6/30/12	261,068	100%		-

(1) Employer Portion Only

Three-Year Trend Information for School Board (Non-professional)				
Fiscal Year Ending	Annual Pension Cost (APC) <sup>(1)</sup>	Percentage of APC Contributed	Net Pension Obligation	
6/30/10	\$ 82,895	100%	\$	-
6/30/11	71,094	100%		-
6/30/12	55,747	100%		-

(1) Employer Portion Only

Three-Year Trend Information for Greenville-Emporia Department of Social Services				
Fiscal Year Ending	Annual Pension Cost (APC) <sup>(1)</sup>	Percentage of APC Contributed	Net Pension Obligation	
6/30/10	\$ 61,996	100%	\$	-
6/30/11	92,647	100%		-
6/30/12	84,452	100%		-

(1) Employer Portion Only

The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the City's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The City and School Board's unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 20 years.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 7—Employee Retirement System and Defined Benefit Pension Plan: (Continued)

---

#### D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County's plan was 84.38% funded. The actuarial accrued liability for benefits was \$17,387,376, and the actuarial value of assets was \$14,670,805, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,716,571. The covered payroll (annual payroll of active employees covered by the plan) was \$3,943,486, and ratio of the UAAL to the covered payroll was 68.89%.

As of June 30, 2011, the most recent actuarial valuation date, the County School Board's plan was 85.60% funded. The actuarial accrued liability for benefits was \$5,561,225, and the actuarial value of assets was \$4,760,347, resulting in an unfunded actuarial accrued liability (UAAL) of \$800,878. The covered payroll (annual payroll of active employees covered by the plan) was \$1,009,234 and ratio of the UAAL to the covered payroll was 79.36%.

As of June 30, 2011, the most recent actuarial valuation date, the Department's plan was 74.99% funded. The actuarial accrued liability for benefits was \$6,537,202, and the actuarial value of assets was \$4,902,118, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,635,084. The covered payroll (annual payroll of active employees covered by the plan) was \$953,630, and ratio of the UAAL to the covered payroll was 171.46%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Note 8—Deferred/Unearned Revenue:

---

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue in the General fund totaling \$8,268,395 is comprised of the following:

#### Primary Government:

- A. Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$8,258,387 at June 30, 2012.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2012 but paid in advance by the taxpayers totaled \$10,008 at June 30, 2012.



## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### **Note 9—Landfill Closure and Postclosure Care Cost:**

---

State and federal laws and regulations require the County to place a final cover on its Greenville landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as each balance sheet date. The \$4,035,682 reported as landfill closure and postclosure care liability at June 30, 2012 represents the cumulative amount reported based on the use of 66 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,078,987 as the remaining estimated capacity is filled. The County expects to close the landfill in the year 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from tipping fee revenues.

The County has demonstrated financial assurance requirements for closure and postclosure care costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. Also, \$2,591,943 has been designated in the Solid Waste Fund for payment of future closure and postclosure care costs.

### **Note 10—Commitments and Contingencies:**

---

Federal programs in which the County and all discretely presented component units participants were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this circular all major program and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance test which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

### **Note 11—Risk Management:**

---

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Association of Counties Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the association for its workers compensation insurance, and general liability insurance.

In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 12—Litigation:

---

At June 30, 2012, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

### Note 13—City/County School Cost Agreement:

---

The City of Emporia and the County of Greenville are parties to an agreement that contains provisions for cost sharing, representation and other matters relating to the Greenville County Public School System. The current agreement expires December 13, 2013.

### Note 14—Surety Bonds:

---

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Robert C. Wrenn, Clerk of the Circuit Court	\$ 25,000
Pamela Lifsey, Treasurer	300,000
Martha S. Swenson, Commissioner of the Revenue	3,000
J.R. Edwards, Jr., Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Hartford Accident & Indemnity Company - Surety:	
Philip L. Worrell, Superintendent of Schools	10,000
Rick Pirkey, Deputy Clerk of the School Board	10,000
Angela Wilson, Clerk of the School Board	10,000
Romine T. Braswell, Bookkeeper	10,000
LaTina Stephens, Administrative Assistant	10,000

By order dated December 31, 1983, the Judge of the Circuit Court ruled that no bond shall be required for any member of the Greenville County Board of Supervisors.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 15—Other Post-Employment Benefits Program/Health Insurance:

---

#### County:

#### Background

Beginning in fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post employment health-care and non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you go basis, but GASB Statement No. 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

#### A. Plan Description

In addition to the pension benefits described in Note 7, the County provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from County service with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) has the ability to remain on the County's medical and dental insurance plans up to the age when they become eligible for Medicare (age 65). The retiree's spouse can also receive benefits under the plan.

#### B. Funding Policy

Individuals retiring from the County have the ability to remain on the County's medical and dental insurance plans. The County does not offer a subsidy towards the retiree or the retiree's spouse's premiums.

#### C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post-employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is \$23,600 for fiscal year 2012. The County paid \$9,100 towards this obligation during the fiscal year. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan and change's to the net OPEB obligation:

Annual required contribution	\$ 23,700
Interest on net OPEB obligation	2,000
Adjustment to annual required contribution	(2,100)
Annual OPEB cost (expense)	\$ 23,600
Estimated contributions made	(9,100)
Increase in net OPEB obligation	\$ 14,500
Net OPEB obligation - beginning of year	\$ 50,200
Net OPEB obligation - end of year	\$ 64,700

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

### Note 15—Other Post-Employment Benefits Program/Health Insurance: (Continued)

#### County: (Continued)

#### Background: (Continued)

#### C. Annual OPEB Cost and Net OPEB Obligation: (Continued)

##### Annual OPEB Cost

For 2012, the County's cash payment of \$9,100 was \$14,500 less than the OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 27,366	41.66%	\$ 31,966
June 30, 2011	27,366	41.66%	50,200
June 30, 2012	23,600	38.56%	64,700

#### D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 215,500
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability	\$ 215,500
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$ 3,931,682
UAAL as a percentage of covered payroll	5.48%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 15—Other Post-Employment Benefits Program/Health Insurance: (Continued)

---

#### County: (Continued)

#### Background: (Continued)

#### E. Actuarial Methods and Assumptions

##### Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

##### Interest Assumptions

	<u>Unfunded</u>
Investment rate of return	4.00%
Health cost trend assumption	10.00%
Payroll growth	2.50%

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was thirty years.

#### School Board:

#### A. Plan Description

In addition to the pension benefits described in Note 7, the School Board provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from School Board service with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) has the ability to remain on the School Board's medical and dental insurance plans up to the age when they become eligible for Medicare (age 65). The retiree's spouse can also receive benefits under the plan.

# COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

## Note 15—Other Post-Employment Benefits Program/Health Insurance: (Continued)

### School Board: (Continued)

#### **B. Funding Policy**

Individuals retiring from the School Board have the ability to remain on the School Board's medical and dental insurance plans. The School Board does not offer a subsidy towards the retiree or the retiree's spouse's premiums.

#### **C. Annual OPEB Cost and Net OPEB Obligation**

The School Board's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the School Board's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 84,700
Interest on net OPEB obligation	4,900
Adjustment to annual required contribution	(5,000)
Annual OPEB cost (expense)	\$ 84,600
Estimated contributions made	(79,600)
Increase in net OPEB obligation	\$ 5,000
Net OPEB obligation - beginning of year	\$ 121,400
Net OPEB obligation - end of year	\$ 126,400

For 2012, the School Board's cash payment of \$79,600 was \$5,000 less than the OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2011, and 2012 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 94,095	43.36%	\$ 106,595
June 30, 2011	94,095	43.36%	121,400
June 30, 2012	84,600	94.09%	126,400

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 15—Other Post-Employment Benefits Program: (Continued)

---

#### School Board: (Continued)

##### **D. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2010 is as follows:

Actuarial accrued liability (AAL)	\$ 1,075,800
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 1,075,800
Funded ratio (actuarial value of plan assets / AAL)	-
Covered payroll (active plan members)	\$ 11,020,927
UAAL as a percentage of covered payroll	9.76%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

##### **E. Actuarial Methods and Assumptions**

As of January 1, 2010 the most recent actuarial valuation date, the entry age normal cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Both rates included a 2.5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010 was thirty years.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 15—Other Post-Employment Benefits Program: (Continued)

---

#### School Board: (Continued)

##### **E. Actuarial Methods and Assumptions (Continued)**

###### Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

###### Interest Assumptions

	<u>Unfunded</u>
Investment rate of return	4.00%
Health cost trend assumption	10.00%
Payroll growth	2.50%

### Note 16—Other Post-Employment Benefits Program-Health Insurance Credit:

---

In addition to the benefits described above, the County and School Board participate in the Health Insurance Credit Program administered by the Virginia Retirement System.

#### **A. Plan Description**

The County participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.



## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 16—Other Post-Employment Benefits Program-Health Insurance Credit:

---

#### A. Plan Description: (Continued)

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 7.

#### B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2012 was .08% of annual covered payroll.

#### C. OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For 2012, the County's contribution of \$3,080 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 7,378	100%	\$ -
June 30, 2011	3,110	100%	-
June 30, 2012	3,080	100%	-

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### Note 16—Other Post-Employment Benefits Program-Health Insurance Credit: (Continued)

---

#### D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	72,938
Actuarial value of plan assets		63,686
Unfunded actuarial accrued liability		9,252
Funded ratio (actuarial value of plan assets / AAL)		87.32%
Covered payroll (active plan members)		1,720,217
UAAL as a percentage of covered payroll		0.54%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

#### E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.5% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2009 was 27 years.

#### F. Professional Employees - Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2012 (Continued)

---

### **Note 16—Other Post-Employment Benefits Program-Health Insurance Credit: (Continued)**

---

#### **F. Professional Employees - Discretely Presented Component Unit School Board**

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contribution to VRS for the years ended June 30, 2012, 2011 and 2010 was \$82,159, \$72,235, and \$99,302, and equaled the required contributions for each year.

### **Note 17—Commitments and Contingencies:**

---

Federal programs in which the County and discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance test which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

At June 30, 2012, the County had two projects underway, which is presented in the financial statements as construction in progress. The County is constructing Phase III of the Southside Virginia Education Center. The contract amount is \$3,197,200, of which \$2,789,893 is outstanding at June 30, 2012. The County is also constructing the Commonwealth Attorney office. The contract amount is \$1,109,589 of which \$143,559 is outstanding at June 30, 2012.

This page intentionally left blank

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

This page intentionally left blank

## General Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 6,031,137	\$ 6,031,137	\$ 6,302,857	\$ 271,720
Other local taxes	1,363,000	1,363,000	1,678,114	315,114
Permits, privilege fees, and regulatory licenses	45,000	47,940	49,705	1,765
Fines and forfeitures	1,407,000	1,407,000	1,471,648	64,648
Revenue from the use of money and property	292,000	292,000	240,662	(51,338)
Charges for services	427,360	430,942	351,138	(79,804)
Miscellaneous	288,000	322,931	266,874	(56,057)
Recovered costs	1,172,646	1,239,582	1,274,732	35,150
Intergovernmental revenues:				
Commonwealth	2,968,398	3,527,070	3,432,985	(94,085)
Federal	-	640,466	665,860	25,394
Total revenues	\$ 13,994,541	\$ 15,302,068	\$ 15,734,575	\$ 432,507
EXPENDITURES				
Current:				
General government administration	\$ 1,659,547	\$ 1,655,137	\$ 1,637,251	\$ 17,886
Judicial administration	1,180,537	1,198,764	1,151,701	47,063
Public safety	3,382,835	4,387,877	4,061,946	325,931
Public works	1,412,146	1,514,689	1,511,530	3,159
Health and welfare	468,206	475,271	402,286	72,985
Education	1,429,214	1,549,966	1,459,430	90,536
Parks, recreation, and cultural	275,017	292,131	292,125	6
Community development	715,877	1,247,707	1,198,619	49,088
Nondepartmental	-	-	8,619	(8,619)
Debt service:				
Principal retirement	1,998,563	1,998,563	1,998,563	-
Interest and other fiscal charges	1,255,399	1,345,303	1,285,834	59,469
Total expenditures	\$ 13,777,341	\$ 15,665,408	\$ 15,007,904	\$ 657,504
Excess (deficiency) of revenues over (under) expenditures	\$ 217,200	\$ (363,340)	\$ 726,671	\$ 1,090,011
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (217,200)	\$ (117,200)	\$ (117,200)	\$ -
Issuance of loan payable	-	-	30,000	30,000
Total other financing sources (uses)	\$ (217,200)	\$ (117,200)	\$ (87,200)	\$ 30,000
Net change in fund balances	\$ -	\$ (480,540)	\$ 639,471	\$ 1,120,011
Fund balances - beginning	-	480,540	2,284,231	1,803,691
Fund balances - ending	\$ -	\$ -	\$ 2,923,702	\$ 2,923,702

Schedule of Pension Funding Progress  
 Virginia Retirement System  
 Last Three Fiscal Years

**PRIMARY GOVERNMENT:****County Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009 \$	14,381,791 \$	14,914,258 \$	532,467	96.43% \$	3,914,362	13.60%
6/30/2010	14,328,838	16,513,418	2,184,580	86.77%	3,829,403	57.05%
6/30/2011	14,670,805	17,387,376	2,716,571	84.38%	3,943,486	68.89%

**DISCRETELY PRESENTED COMPONENT UNITS:****School Board Non-Professionals Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009 \$	4,763,967 \$	5,146,865 \$	382,898	92.56% \$	1,181,911	32.40%
6/30/2010	4,763,492	5,650,682	887,190	84.30%	1,187,574	74.71%
6/30/2011	4,760,347	5,561,225	800,878	85.60%	1,009,234	79.36%

**Greensville/Emporia Department of Social Services Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009 \$	5,145,054 \$	6,013,160 \$	868,106	85.56% \$	1,025,502	84.65%
6/30/2010	4,970,301	6,605,086	1,634,785	75.25%	951,163	171.87%
6/30/2011	4,902,118	6,537,202	1,635,084	74.99%	953,630	171.46%



Schedule of OPEB Funding Progress  
 Other Post Employment Benefits - Health Insurance  
 Last Three Fiscal Years

**OTHER POST EMPLOYMENT BENEFITS:****PRIMARY GOVERNMENT:**

Valuation as of *	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2009 \$	- \$	201,200 \$	201,200	0.00% \$	3,931,682	5.12%
7/1/2010	-	215,500	215,500	0.00%	3,931,682	5.48%

**DISCRETELY PRESENTED COMPONENT UNIT:****School Board :**

Valuation as of *	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2009 \$	- \$	901,600 \$	901,600	0.00% \$	11,020,927	8.18%
7/1/2010	-	1,075,800	1,075,800	0.00%	11,020,927	9.76%

\* Only two valuations available

**VIRGINIA RETIREMENT SYSTEM - HEALTH INSURANCE CREDIT:****PRIMARY GOVERNMENT:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009 \$	44,705 \$	63,090 \$	18,385	70.86% \$	3,914,362	0.47%
6/30/2010	54,348	70,253	15,905	77.36%	3,829,403	0.42%
6/30/2011	63,686	72,938	9,252	87.32%	1,720,217	0.54%

This page intentionally left blank

## **OTHER SUPPLEMENTARY INFORMATION**

This page intentionally left blank

## Capital Projects Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,557	\$ 2,557
Miscellaneous	-	20,750	33,250	12,500
Intergovernmental revenues:				
Commonwealth	1,678,160	1,678,160	-	(1,678,160)
Federal	1,300,000	1,175,000	45,021	(1,129,979)
Total revenues	<u>\$ 2,978,160</u>	<u>\$ 2,873,910</u>	<u>\$ 80,828</u>	<u>\$ (2,793,082)</u>
<b>EXPENDITURES</b>				
Capital projects	<u>\$ 8,033,244</u>	<u>\$ 7,709,583</u>	<u>\$ 2,408,301</u>	<u>\$ 5,301,282</u>
Total expenditures	<u>\$ 8,033,244</u>	<u>\$ 7,709,583</u>	<u>\$ 2,408,301</u>	<u>\$ 5,301,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (5,055,084)</u>	<u>\$ (4,835,673)</u>	<u>\$ (2,327,473)</u>	<u>\$ 2,508,200</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 117,200	\$ 117,200	\$ 117,200	\$ -
Issuance of bonds	<u>4,937,884</u>	<u>4,637,157</u>	<u>689,588</u>	<u>(3,947,569)</u>
Total other financing sources (uses)	<u>\$ 5,055,084</u>	<u>\$ 4,754,357</u>	<u>\$ 806,788</u>	<u>\$ (3,947,569)</u>
Net change in fund balances	\$ -	\$ (81,316)	\$ (1,520,685)	\$ (1,439,369)
Fund balances - beginning	<u>-</u>	<u>81,316</u>	<u>602,030</u>	<u>520,714</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (918,655)</u></u>	<u><u>\$ (918,655)</u></u>

This page intentionally left blank

## **Supporting Schedules**

This page intentionally left blank



Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,154,637	\$ 3,154,637	\$ 3,176,036	\$ 21,399
Real and personal public service corporation taxes	230,000	230,000	256,732	26,732
Personal property taxes	1,275,000	1,275,000	1,446,950	171,950
Mobile home taxes	27,000	27,000	24,528	(2,472)
Machinery and tools taxes	1,175,000	1,175,000	1,198,711	23,711
Penalties	107,000	107,000	122,495	15,495
Interest	40,000	40,000	45,389	5,389
Administrative fee	22,500	22,500	32,016	9,516
Total general property taxes	\$ 6,031,137	\$ 6,031,137	\$ 6,302,857	\$ 271,720
Other local taxes:				
Local sales and use taxes	\$ 405,000	\$ 405,000	\$ 504,524	\$ 99,524
Consumers' utility taxes	280,000	280,000	293,291	13,291
Business license taxes	225,000	225,000	393,453	168,453
Motor vehicle licenses	190,000	190,000	198,192	8,192
Taxes on recordation and wills	28,000	28,000	35,481	7,481
E-911 taxes	-	-	39,999	39,999
Utility consumption taxes	60,000	60,000	45,958	(14,042)
Restaurant food taxes	150,000	150,000	144,004	(5,996)
Transient lodging tax	25,000	25,000	23,212	(1,788)
Total other local taxes	\$ 1,363,000	\$ 1,363,000	\$ 1,678,114	\$ 315,114
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 10,000	\$ 10,000	\$ 6,130	\$ (3,870)
Building permits	25,000	25,000	31,756	6,756
Transfer fees	-	-	267	267
Permits and other licenses	10,000	12,940	11,552	(1,388)
Total permits, privilege fees, and regulatory licenses	\$ 45,000	\$ 47,940	\$ 49,705	\$ 1,765
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,400,000	\$ 1,400,000	\$ 1,466,136	\$ 66,136
Collections interest	7,000	7,000	5,512	(1,488)
Total fines and forfeitures	\$ 1,407,000	\$ 1,407,000	\$ 1,471,648	\$ 64,648
Revenue from use of money and property:				
Revenue from use of money	\$ 60,000	\$ 60,000	\$ 8,374	\$ (51,626)
Revenue from use of property	232,000	232,000	232,288	288
Total revenue from use of money and property	\$ 292,000	\$ 292,000	\$ 240,662	\$ (51,338)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Charges for services:				
Data processing reimbursement	\$ 29,800	\$ 29,800	\$ 26,014	\$ (3,786)
Landfill administration	60,000	60,000	60,000	-
Courthouse maintenance fees	42,000	42,000	35,309	(6,691)
Courthouse security fees	215,000	215,000	179,671	(35,329)
Regional jail fiscal agent fees	26,460	26,460	26,460	-
Sheriff's fees	1,500	1,500	1,456	(44)
Excess clerk's fees	22,500	22,500	-	(22,500)
Law library fees	-	1,361	1,344	(17)
Charges for Commonwealth's Attorney	1,000	1,000	2,366	1,366
Jail admission	2,000	2,000	2,159	159
Other charges	27,100	29,321	16,359	(12,962)
Total charges for services	\$ 427,360	\$ 430,942	\$ 351,138	\$ (79,804)
Miscellaneous revenue:				
Miscellaneous	\$ 215,000	\$ 237,926	\$ 196,491	\$ (41,435)
CSA reimbursement	55,000	55,000	57,624	2,624
Probation fees	18,000	30,005	12,759	(17,246)
Total miscellaneous revenue	\$ 288,000	\$ 322,931	\$ 266,874	\$ (56,057)
Recovered costs:				
Reimbursement industrial development corporation	\$ 166,594	\$ 166,594	\$ 83,238	\$ (83,356)
Reimbursement regional jail authority	3,000	3,000	3,000	-
School resource officer	76,000	76,000	77,242	1,242
Shared expenses City of Emporia	807,950	807,950	787,426	(20,524)
Circuit court salaries	34,335	34,335	33,400	(935)
Collection disposal fees - Schools	50,000	50,000	34,884	(15,116)
Collection disposal fees - Department of Social Services	2,192	2,192	2,326	134
Insurance recoveries	-	57,034	57,847	813
Other recovered costs	32,575	42,477	195,369	152,892
Total recovered costs	\$ 1,172,646	\$ 1,239,582	\$ 1,274,732	\$ 35,150
Total revenue from local sources	\$ 11,026,143	\$ 11,134,532	\$ 11,635,730	\$ 501,198
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Payment in lieu of taxes	\$ 12,593	\$ 12,593	\$ 11,565	\$ (1,028)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental revenues:				
Noncategorical aid:				
Mobile home titling tax	\$ 16,000	\$ 16,000	\$ 18,589	\$ 2,589
Motor vehicle rental tax	2,500	2,500	917	(1,583)
Railroad rolling stock taxes	40,000	40,000	40,785	785
State recordation tax	17,500	17,500	20,781	3,281
Communication sales and use taxes	210,000	210,000	180,886	(29,114)
Personal property tax relief funds	1,065,419	1,065,419	1,065,419	-
Total noncategorical aid	\$ 1,351,419	\$ 1,351,419	\$ 1,327,377	\$ (24,042)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 406,422	\$ 406,422	\$ 404,958	\$ (1,464)
Sheriff	719,605	719,605	729,529	9,924
Commissioner of revenue	92,439	92,439	86,194	(6,245)
Treasurer	70,687	70,687	66,228	(4,459)
Registrar/electoral board	45,000	45,000	35,360	(9,640)
Clerk of the Circuit Court	215,083	228,923	229,332	409
Total shared expenses	\$ 1,549,236	\$ 1,563,076	\$ 1,551,601	\$ (11,475)
Other categorical aid:				
Animal sterilization	\$ 150	\$ 150	\$ -	\$ (150)
Southside Pretrial Services & Community Corrections	-	380,418	380,418	-
Jury reimbursement	10,000	13,413	12,146	(1,267)
Tobacco funds	-	63,145	63,145	-
Victim witness	2,000	2,000	602	(1,398)
Challenge grant	5,000	5,000	5,000	-
Brownfields	-	25,000	25,000	-
DMV vehicle registration	8,000	24,503	8,071	(16,432)
Fire programs funds	30,000	60,308	31,023	(29,285)
Records preservation grant	-	4,726	4,726	-
Asset forfeiture funds	-	21,319	12,311	(9,008)
Total other categorical aid	\$ 55,150	\$ 599,982	\$ 542,442	\$ (57,540)
Total categorical aid	\$ 1,604,386	\$ 2,163,058	\$ 2,094,043	\$ (69,015)
Total revenue from the Commonwealth	\$ 2,968,398	\$ 3,527,070	\$ 3,432,985	\$ (94,085)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Byrne grant	\$ -	\$ 4,387	\$ 4,387	\$ -
FEMA disaster funds	-	97,476	97,476	-
Community development block grant	-	378,541	399,482	20,941
DMV grant	-	8,804	8,804	-
Energy conservation grant	-	74,301	103,754	29,453
Law enforcement block grant	-	-	5,000	5,000
State and community highway safety grants	-	76,957	46,957	(30,000)
Total categorical aid	\$ -	\$ 640,466	\$ 665,860	\$ 25,394
Total revenue from the federal government	\$ -	\$ 640,466	\$ 665,860	\$ 25,394
Total General Fund	\$ 13,994,541	\$ 15,302,068	\$ 15,734,575	\$ 432,507
<b>Capital Projects Fund:</b>				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 2,557	\$ 2,557
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ 20,750	\$ 33,250	\$ 12,500
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Miscellaneous	\$ 46,905	\$ 46,905	\$ -	\$ (46,905)
Tobacco commission grants	1,631,255	1,631,255	-	(1,631,255)
Total categorical aid	\$ 1,678,160	\$ 1,678,160	\$ -	\$ (1,678,160)
Total revenue from the Commonwealth	\$ 1,678,160	\$ 1,678,160	\$ -	\$ (1,678,160)
Revenue from the federal government:				
Categorical aid:				
Dept education	\$ 400,000	\$ 400,000	\$ 3,135	\$ (396,865)
USDA	125,000	-	-	-
Community development block grant	775,000	775,000	41,886	(733,114)
Total categorical aid	\$ 1,300,000	\$ 1,175,000	\$ 45,021	\$ (1,254,979)
Total revenue from the federal government	\$ 1,300,000	\$ 1,175,000	\$ 45,021	\$ (1,254,979)
Total Capital Projects Fund	\$ 2,978,160	\$ 2,873,910	\$ 80,828	\$ (2,793,082)
Total Primary Government	\$ 16,972,701	\$ 18,175,978	\$ 15,815,403	\$ (2,360,575)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 97,184	\$ 94,317	\$ 91,618	\$ 2,699
General and financial administration:				
County administrator	\$ 414,343	\$ 398,337	\$ 397,790	\$ 547
Information technology	99,011	100,259	106,887	(6,628)
Commissioner of revenue	264,825	248,940	241,223	7,717
Treasurer	233,510	254,142	254,268	(126)
Accounting	363,042	370,423	370,968	(545)
County attorney	86,150	77,410	72,422	4,988
Total general and financial administration	\$ 1,460,881	\$ 1,449,511	\$ 1,443,558	\$ 5,953
Board of elections:				
Electoral board and officials	\$ 101,482	\$ 111,309	\$ 102,075	\$ 9,234
Total general government administration	\$ 1,659,547	\$ 1,655,137	\$ 1,637,251	\$ 17,886
Judicial administration:				
Courts:				
Circuit court	\$ 86,190	\$ 79,124	\$ 79,079	\$ 45
General district court	30,718	26,362	26,360	2
Courthouse security	210,189	197,605	180,641	16,964
Law library	-	1,361	1,361	-
Special magistrates	1,550	1,260	1,259	1
Clerk of the circuit court	276,935	311,706	281,689	30,017
Total courts	\$ 605,582	\$ 617,418	\$ 570,389	\$ 47,029
Commonwealth's attorney:				
Commonwealth's attorney	\$ 574,955	\$ 581,346	\$ 581,312	\$ 34
Total judicial administration	\$ 1,180,537	\$ 1,198,764	\$ 1,151,701	\$ 47,063
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,841,154	\$ 1,912,649	\$ 1,907,050	\$ 5,599
School resource officer	104,623	103,974	103,967	7
Asset Forfeiture	-	313,310	62,748	250,562
Selective enforcement	339,988	303,834	303,859	(25)
Total law enforcement and traffic control	\$ 2,285,765	\$ 2,633,767	\$ 2,377,624	\$ 256,143
Fire and rescue services:				
Fire and rescue	\$ 183,924	\$ 213,390	\$ 213,389	\$ 1
Contributions to squads	9,246	38,281	38,281	-
Total fire and rescue services	\$ 193,170	\$ 251,671	\$ 251,670	\$ 1

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2012 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Correction and detention:				
Jail	\$ 619,939	\$ 757,225	\$ 720,727	\$ 36,498
Juvenile probation	32,150	28,110	28,110	-
Community corrections grant	-	423,933	390,037	33,896
Total correction and detention	<u>\$ 652,089</u>	<u>\$ 1,209,268</u>	<u>\$ 1,138,874</u>	<u>\$ 70,394</u>
Inspections:				
Building	<u>\$ 122,311</u>	<u>\$ 124,410</u>	<u>\$ 125,683</u>	<u>\$ (1,273)</u>
Other protection:				
Animal control	\$ 92,059	\$ 88,443	\$ 87,776	\$ 667
E-911	37,441	80,318	80,319	(1)
Total other protection	<u>\$ 129,500</u>	<u>\$ 168,761</u>	<u>\$ 168,095</u>	<u>\$ 666</u>
Total public safety	<u>\$ 3,382,835</u>	<u>\$ 4,387,877</u>	<u>\$ 4,061,946</u>	<u>\$ 325,931</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	<u>\$ 27,320</u>	<u>\$ 25,811</u>	<u>\$ 26,194</u>	<u>\$ (383)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 344,567	\$ 509,030	\$ 496,244	\$ 12,786
Dumpster site maintenance	177,275	99,769	99,744	25
Total sanitation and waste removal	<u>\$ 521,842</u>	<u>\$ 608,799</u>	<u>\$ 595,988</u>	<u>\$ 12,811</u>
Maintenance of general buildings and grounds:				
General properties	<u>\$ 862,984</u>	<u>\$ 880,079</u>	<u>\$ 889,348</u>	<u>\$ (9,269)</u>
Total public works	<u>\$ 1,412,146</u>	<u>\$ 1,514,689</u>	<u>\$ 1,511,530</u>	<u>\$ 3,159</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 97,410</u>	<u>\$ 104,475</u>	<u>\$ 104,683</u>	<u>\$ (208)</u>
Mental health and mental retardation:				
Chapter X board	<u>\$ 48,019</u>	<u>\$ 48,019</u>	<u>\$ 48,019</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2012 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Local area on aging	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Welfare administration	220,777	220,777	113,861	106,916
Comprehensive services	100,000	100,000	132,215	(32,215)
Total welfare	<u>\$ 322,777</u>	<u>\$ 322,777</u>	<u>\$ 248,076</u>	<u>\$ 74,701</u>
Total health and welfare	<u>\$ 468,206</u>	<u>\$ 475,271</u>	<u>\$ 400,778</u>	<u>\$ 74,493</u>
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 7,553	\$ 128,305	\$ 72,987	\$ 55,318
Contribution to County school board	1,320,161	1,320,161	1,287,443	32,718
Children are extra special	2,500	2,500	-	2,500
Workforce development center	63,000	63,000	63,000	-
Headstart program	20,000	20,000	20,000	-
Total education	<u>\$ 1,429,214</u>	<u>\$ 1,549,966</u>	<u>\$ 1,459,430</u>	<u>\$ 90,536</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational facilities	\$ 130,799	\$ 139,424	\$ 139,424	\$ -
Golden leaf commons	18,023	27,059	27,054	5
Total parks, recreation, and cultural	<u>\$ 148,822</u>	<u>\$ 166,483</u>	<u>\$ 166,478</u>	<u>\$ 5</u>
Cultural enrichment:				
Meherrin River Arts Council	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Library:				
Contribution to regional library	<u>\$ 116,195</u>	<u>\$ 115,648</u>	<u>\$ 115,647</u>	<u>\$ 1</u>
Total parks, recreation, and cultural	<u>\$ 275,017</u>	<u>\$ 292,131</u>	<u>\$ 292,125</u>	<u>\$ 6</u>
Community development:				
Planning and community development:				
Planning	\$ 142,947	\$ 140,405	\$ 140,223	\$ 182
Housing - local contributions	3,650	4,279	4,278	1
Industrial development corporation administration	166,594	126,793	68,901	57,892
Industrial Development Authority	71,100	71,100	71,100	-
Energy grant	-	74,301	67,339	6,962
Economic development	205,407	713,431	738,498	(25,067)
Geographic information systems	70,446	69,221	69,214	7
Total planning and community development	<u>\$ 660,144</u>	<u>\$ 1,199,530</u>	<u>\$ 1,159,553</u>	<u>\$ 39,977</u>
Environmental management:				
Other environmental management	<u>\$ 9,918</u>	<u>\$ 9,918</u>	<u>\$ 9,918</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2012 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 45,815	\$ 38,259	\$ 29,148	\$ 9,111
Total community development	\$ 715,877	\$ 1,247,707	\$ 1,198,619	\$ 49,088
Nondepartmental:				
Remittance of sales tax revenue to towns	\$ -	\$ -	\$ 8,619	\$ (8,619)
Debt service:				
Principal retirement	\$ 1,998,563	\$ 1,998,563	\$ 1,998,563	\$ -
Interest and other fiscal charges	1,255,399	1,345,303	1,285,834	59,469
Total debt service	\$ 3,253,962	\$ 3,343,866	\$ 3,284,397	\$ 59,469
Total General Fund	\$ 13,777,341	\$ 15,665,408	\$ 15,006,396	\$ 659,012
<b>Capital Projects Fund:</b>				
Capital projects expenditures:				
Carpeting	\$ 30,000	\$ 30,000	\$ 29,962	\$ 38
HVAC improvements	-	21,000	21,000	-
Rescue squad vehicle	69,824	75,000	75,000	-
Washington Park	572,525	673,545	361,790	311,755
E911 equipment	-	16,013	16,013	-
Other	79,300	36,846	-	36,846
SVEC	4,553,595	4,127,868	578,864	3,549,004
Phoenix building	-	-	(3,387)	3,387
Commonwealth Attorney office	1,300,000	1,300,000	1,012,026	287,974
Staffed waste collection site	1,406,000	1,406,000	131,524	1,274,476
Information technology	22,000	22,000	5,700	16,300
Megasite	-	711	179,209	(178,498)
301 North sidewalk project	-	600	600	-
Total capital projects fund	\$ 8,033,244	\$ 7,709,583	\$ 2,408,301	\$ 5,301,282
Total Primary Government	\$ 21,810,585	\$ 23,374,991	\$ 17,414,697	\$ 5,960,294



## **Statistical Information**

This page intentionally left blank

Table 1

## COUNTY OF GREENSVILLE, VIRGINIA

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General		Judicial		Public		Health		Parks, Recreation, and Cultural		Community Develop- ment		Interest on Long- Term Debt		Total	
	Government Administration		Administration	Safety	Public Works	and Welfare	Education									
2002-03	\$	928,200	\$	824,801	\$	2,703,852	\$	261,166	\$	3,824,170	\$	206,501	\$	1,112,546	\$	11,708,638
2003-04		959,290		729,439		2,874,371		319,129		2,281,174		223,654		1,797,689		10,908,000
2004-05		810,844		774,883		3,074,225		461,810		2,836,323		304,853		1,048,800		12,082,879
2005-06		1,712,040		753,477		2,790,727		473,786		3,202,108		229,255		1,016,644		12,599,188
2006-07		1,739,615		804,324		2,726,950		469,779		2,947,065		214,780		1,060,025		12,718,885
2007-08		1,863,653		884,033		2,883,050		478,697		2,253,630		246,224		982,061		12,652,987
2008-09		902,157		912,115		2,896,672		555,967		5,009,079		237,994		1,334,775		15,611,605
2009-10		462,287		933,390		3,731,815		1,209,307		3,080,160		230,567		1,146,754		14,809,752
2010-11		2,056,841		885,693		3,323,733		370,846		3,527,147		246,825		1,173,277		14,710,141
2011-12		1,674,569		1,044,243		3,879,456		383,665		2,952,059		304,729		1,209,331		14,010,615

COUNTY OF GREENSVILLE, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2002-03	\$ 1,398,164	\$ 1,944,440	\$ -	\$ 4,202,482	\$ 1,255,380	\$ 157,231	\$ 242,925	\$ 1,219,786	\$ 10,420,408
2003-04	1,752,613	1,985,629	-	4,368,028	1,368,638	218,294	92,725	1,402,509	11,188,436
2004-05	1,591,545	2,603,681	-	4,421,632	1,375,137	216,452	90,779	1,255,897	11,555,123
2005-06	1,403,898	2,506,605	108,183	4,610,736	1,552,469	288,834	114,718	1,408,042	11,993,485
2006-07	1,692,581	1,870,924	1,989,428	4,889,473	1,577,881	667,626	88,670	1,413,937	14,190,520
2007-08	1,684,060	2,009,397	2,493,897	5,166,411	1,641,524	716,941	390,622	1,401,852	15,504,704
2008-09	1,709,835	1,699,926	1,547,855	5,665,479	1,692,677	182,891	128,258	2,182,844	14,809,765
2009-10	1,780,329	1,678,137	1,985,897	5,807,692	1,447,080	151,347	264,794	2,228,992	15,344,268
2010-11	1,589,597	1,585,577	408,865	5,933,804	1,486,613	142,470	178,946	2,063,837	13,389,709
2011-12	1,872,491	2,184,346	620,578	6,362,075	1,534,110	243,219	300,124	1,338,942	14,455,885

COUNTY OF GREENSVILLE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service		Total
	Administration	Administration									Debt	Service	
2002-03	\$ 1,185,696	\$ 681,046	\$ 2,734,284	\$ 1,008,267	\$ 2,839,700	\$ 22,284,464	\$ 184,741	\$ 791,425	\$ 111,217	\$ 2,221,521	\$ 34,042,361		
2003-04	1,215,730	727,039	3,122,728	1,138,646	3,058,543	20,744,440	223,654	730,128	4,818	2,640,368	33,606,094		
2004-05	1,268,537	772,483	2,916,147	1,470,144	3,377,420	22,761,318	253,589	1,881,231	5,616	2,593,970	37,300,455		
2005-06	1,351,043	873,544	3,055,310	1,399,087	3,196,749	24,651,826	209,864	2,596,086	30,719	2,701,442	40,065,670		
2006-07	1,511,724	961,603	3,224,776	1,333,234	3,628,516	26,338,270	214,780	1,995,576	5,973	2,403,116	41,617,568		
2007-08	1,559,516	1,125,621	3,296,381	1,405,335	3,639,255	26,292,273	246,224	2,712,008	7,541	2,355,080	42,639,234		
2008-09	1,537,628	1,141,513	3,534,309	1,474,351	3,544,821	26,343,618	237,994	2,921,639	8,342	2,874,859	43,619,074		
2009-10	1,689,087	1,054,084	3,754,715	1,459,859	4,027,198	27,114,386	230,567	2,604,741	6,656	3,059,763	45,001,056		
2010-11	1,603,288	1,136,318	3,725,758	1,460,968	3,687,030	26,849,683	246,825	2,830,260	5,265	3,182,239	44,727,634		
2011-12	1,637,251	1,151,701	4,061,946	1,511,530	3,249,743	25,418,468	292,125	2,026,518	8,619	3,284,397	42,642,298		

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.  
Excludes Capital Projects Fund.

COUNTY OF GREENSVILLE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2002-03	\$ 4,229,014	\$ 1,255,380	\$ 44,618	\$ 1,229,563	\$ 367,527	\$ 411,321	\$ 737,890	\$ 923,467	\$ 21,194,685	\$ 30,393,465
2003-04	4,292,686	1,368,638	49,105	1,422,360	266,799	3,147,179	235,295	744,193	21,488,629	33,014,884
2004-05	4,350,198	1,375,137	47,109	1,091,981	348,205	3,518,694	147,362	858,190	25,231,310	36,968,186
2005-06	4,643,320	1,552,469	41,004	1,103,181	297,870	3,750,706	142,718	935,913	25,892,448	38,359,629
2006-07	4,930,287	1,577,881	51,626	1,323,110	473,148	3,857,196	478,018	1,169,366	27,906,863	41,767,495
2007-08	5,194,668	1,641,524	97,952	1,094,383	322,363	4,031,076	779,970	1,232,567	28,389,585	42,784,088
2008-09	5,696,735	1,692,677	78,980	1,240,094	181,078	3,930,112	500,218	1,559,297	28,788,113	43,667,304
2009-10	5,739,894	1,447,080	42,772	1,329,899	158,930	4,348,497	533,177	1,128,192	30,007,828	44,736,269
2010-11	5,922,517	1,448,405	45,532	1,167,244	162,709	4,470,397	492,145	1,148,196	34,865,887	49,723,032
2011-12	6,302,857	1,678,114	49,705	1,471,648	258,075	4,296,821	453,643	1,274,732	26,912,024	42,697,619

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.  
Excludes Capital Projects Fund.

COUNTY OF GREENSVILLE, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1, 2)	Percent of Delinquent Taxes to Tax Levy
2002-03	\$ 5,199,878	\$ 5,150,423	99.05%	\$ 71,203	\$ 5,221,626	100.42%	\$ 212,975	4.10%
2003-04	5,269,452	5,116,353	97.09%	112,379	5,228,732	99.23%	239,351	4.54%
2004-05	5,231,309	5,106,617	97.62%	95,415	5,202,032	99.44%	303,344	5.80%
2005-06	5,573,305	5,501,901	98.72%	117,313	5,619,214	100.82%	365,659	6.56%
2006-07	5,894,172	5,763,835	97.79%	110,493	5,874,328	99.66%	398,010	6.75%
2007-08	6,044,425	5,975,915	98.87%	132,340	6,108,255	101.06%	405,945	6.72%
2008-09	6,691,466	6,488,394	96.97%	117,942	6,606,336	98.73%	470,991	7.04%
2009-10	6,552,012	6,476,081	98.84%	153,431	6,629,512	101.18%	505,872	7.72%
2010-11	6,910,694	6,662,097	96.40%	164,312	6,826,409	98.78%	544,724	7.88%
2011-12	7,080,936	7,016,273	99.09%	152,103	7,168,376	101.23%	536,343	7.57%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years. Beginning in fiscal year 2006 the outstanding PPTRA is due from the taxpayer.

COUNTY OF GREENSVILLE, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Aircraft	Machinery and Tools	Public Utility (2)	Total
2002-03	\$ 400,659,700	\$ 43,449,160	\$ 7,049,980	\$ 26,600	\$ 20,904,750	\$ 40,697,710	\$ 512,787,900
2003-04	404,339,400	42,836,310	7,157,370	49,570	21,032,780	36,554,416	511,969,846
2004-05	410,054,150	39,404,880	7,126,630	81,080	23,441,510	28,098,889	508,207,139
2005-06	417,025,690	44,714,256	7,206,760	77,590	25,131,490	28,740,569	522,896,355
2006-07	423,190,540	48,383,540	7,216,320	109,100	23,284,410	28,128,700	530,312,610
2007-08	429,740,130	48,697,570	7,190,590	80,620	24,149,100	30,154,407	540,012,417
2008-09	673,068,000	52,308,630	5,636,734	81,500	25,196,000	43,288,438	799,579,302
2009-10	668,105,000	47,708,720	5,602,340	81,500	27,584,810	42,194,732	791,277,102
2010-11	673,975,450	51,182,826	5,601,644	81,500	32,030,360	46,278,980	809,150,760
2011-12	674,656,600	52,453,750	5,460,730	81,500	30,960,340	48,186,374	811,799,294

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.



COUNTY OF GREENSVILLE, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Aircraft
2002-03	\$ 0.57	\$ 4.50	\$ 0.57	\$ 3.50	0.50
2003-04	0.57	4.50	0.57	3.50	0.50
2004-05	0.59	4.50	0.59	3.50	0.50
2005-06	0.59	4.50	0.59	3.50	0.50
2006-07	0.62	4.50	0.62	3.50	0.50
2007-08	0.63	4.50	0.63	3.50	0.50
2008-09	0.45	4.50	0.45	4.00	0.50
2009-10	0.45	4.50	0.45	4.00	0.50
2010-11	0.45	4.50	0.45	4.00	0.50
2011-12	0.47	4.50	0.47	4.00	0.50

(1) Per \$100 of assessed value.

COUNTY OF GREENSVILLE, VIRGINIA

Table 8

Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt		
2002-03	11,800	512,788	15,428,365	-	15,428,365	3.01%	1,307
2003-04	12,200	511,970	14,494,925	-	14,494,925	2.83%	1,188
2004-05	12,200	508,207	12,906,266	-	12,906,266	2.54%	1,058
2005-06	12,300	522,896	10,501,945	-	10,501,945	2.01%	854
2006-07	12,300	530,313	10,069,351	-	10,069,351	1.90%	819
2007-08	12,059	540,012	10,038,748	-	10,038,748	1.86%	832
2008-09	12,511	799,579	16,656,103	-	16,656,103	2.08%	1,331
2009-10	12,511	791,277	15,280,738	-	15,280,738	1.93%	1,221
2010-11	12,257	809,151	14,718,795	-	14,718,795	1.82%	1,201
2011-12	12,257	811,799	13,551,672	-	13,551,672	1.67%	1,106

(1) Weldon Cooper Center for Public Service at the University of Virginia.

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.  
Excludes revenue bonds, landfill closure/postclosure care liability, capital leases, and compensated absences.

## COMPLIANCE

This page intentionally left blank

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

---

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

---

The Honorable Members of the Board of Supervisors  
County of Greenville  
Emporia, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Greenville, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County of Greenville, Virginia's basic financial statements and have issued our report thereon dated January 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

Management of the County of Greenville, Virginia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered County of Greenville, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Greenville, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Greenville, Virginia's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Greenville, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia

January 15, 2013

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

---

## Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

---

The Honorable Members of the Board of Supervisors  
County of Greensville  
Emporia, Virginia

### Compliance

We have audited County of Greensville, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Greensville, Virginia's major federal programs for the year ended June 30, 2012. County of Greensville, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Greensville, Virginia's management. Our responsibility is to express an opinion on County of Greensville, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Greensville, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Greensville, Virginia's compliance with those requirements.

In our opinion, County of Greensville, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

### Internal Control Over Compliance

Management of County of Greensville, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County of Greensville, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Greensville, Virginia's internal control over compliance.

### Internal Control Over Compliance: (Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Guinson, Turner, & Associates*

Charlottesville, Virginia  
January 15, 2013



COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950111/0950112	\$ 23
Temporary Assistance for Needy Families	93.558	0400111/0400112	228,648
Refugee and Entrant Assistance - State Administered Programs	93.566	0500111/0500112	408
Low-Income Home Energy Assistance	93.568	0600411/0600412	27,306
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	0770111/0770112	150,097
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111/0760112	71,239
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900111/0900112	798
Foster Care - Title IV-E	93.658	1100111/1100112	124,394
Adoption Assistance	93.659	1120111/1120112	22,405
Social Services Block Grant	93.667	1000111/1000112	174,792
Chafee Foster Care Independence Program	93.674	9150111/9150112	1,725
Children's Health Insurance Program	93.767	0540111/0540112	8,454
Medical Assistance Program	93.778	1200111/1200112	175,729
Total Department of Health and Human Services			\$ 986,018
Department of Agriculture:			
Direct Payments:			
Community Facilities Loans and Grants	10.766	N/A	\$ 541,088
Child Nutrition Cluster:			
Food Commodities Distribution	10.555	N/A	\$ 67,988
Pass Through Payments:			
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	10.555/2011/2012	674,839 \$ 742,827
School Breakfast Program	10.553	10.553/2011/2012	231,351
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010111/0010112	290,532
Total Department of Agriculture			\$ 1,805,798
Department of Housing and Urban Development			
Pass Through Payments:			
Office of Community Planning and Development			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-04-DC-51-0001	\$ 441,368

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Criminal Justice: Pass Through Payments: Bureau of Justice Assistance Local Law Enforcement Block Grant	16.592	Unknown	\$ 4,387
Department of Energy: Direct Payments: Energy Efficiency and Conservation Block Grant Program	81.128	N/A	\$ 103,754
Department of Transportation Pass Through Payments: National Highway Traffic Safety Administration (NHTSA) State and Community Highway Safety	20.600	50340/59132	\$ 8,804
Department of Homeland Security Pass Through Payments: Federal Emergency Management Agency Emergency Management Performance Grants	97.042	77501-52708/52709	\$ 51,957
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	97,476
Total Department of Homeland Security			\$ 149,433
Department of Defense: Direct Payments: Department of Defense: ROTC	12.000	N/A	\$ 49,692
Department of Education: Pass Through Payments: Department of Education: Title I, Part A Cluster: Title I Grants to Local Educational Agencies	84.010	S010A110046/S010A100046	\$ 896,010
Special Education Cluster (IDEA): Special Education - Grants to States	84.027	H027A110107	618,118
ARRA - Special Education Grants to States	84.391	H391A100107	40,445
Special Education - Preschool Grants	84.173	H173A110112/H173A100112	11,787
ARRA - Special Education -Preschool Grants	84.392	H392A100112	7,704
Twenty-First Century Community Learning Centers	84.287	N/A	415,924
ARRA - Education Jobs Fund	84.410	N/A	646,668
Improving Teacher Quality State Grants	84.367	S367A110044/S367A100044	224,969
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	24,460
Career and Technical Education - Basic Grants to States	84.048	V048A110046/VA048A100046	36,520
Rural Education	84.358	Unknown	52,111
Title III, Part A	84.031	Unknown	3,275
Fund for the Improvement of Postsecondary Education	84.116	Unknown	3,135
Education Technology State Grants Cluster: ARRA - Education Technology State Grants	84.386	S386A110046	500
Education Technology State Grants	84.318	S318X110046	7,210
Total Department of Education			\$ 2,988,836
Total Expenditures of Federal Awards			\$ 6,538,090

## COUNTY OF GREENSVILLE, VIRGINIA

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

---

#### Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Greenville, Virginia. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

#### Note 2 - Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for States, Local and Indian Tribal Governments.

#### Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

#### Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 665,860
General Fund Federal Loan Proceeds	541,088
Capital Projects Fund	45,021
Total primary government	<u>\$ 1,251,969</u>

Component Unit School Board:

School Operating Fund	\$ 3,035,393
School Cafeteria Fund	974,178
Total component unit school board	<u>\$ 4,009,571</u>

Component Unit Department of Social Services	<u>\$ 1,276,550</u>
--	---------------------

Total federal expenditures per the Schedule of Expenditures  
of Federal Awards

\$ 6,538,090

## COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2012

---

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

#### Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.766	Community Facilities Loans and Grants
14.228	Community Development Block Grants
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)
84.410	ARRA - Education Jobs Fund

Special Education Cluster:

84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	ARRA - Special Education - Grants to States
84.392	ARRA - Special Education - Preschool Grants
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

### Section II - Financial Statement Findings

There are no financial statement findings to report.

### Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

**COUNTY OF GREENSVILLE, VIRGINIA**

Schedule of Prior Year Audit Findings  
Year Ended June 30, 2012

---

There were no items reported in the prior year.

This page intentionally left blank